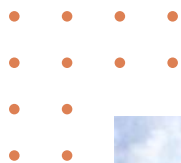
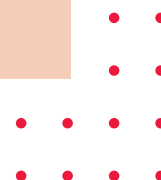
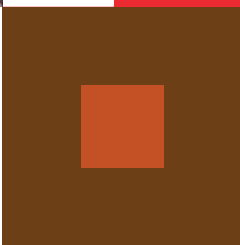




MahaRERA
Real Estate



2022



MahaRERA
Real Estate

Agent Handbook
2022

<https://maharera.mahaonline.gov.in>



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1. Course Orientation



1.1. INTRODUCTION

Real Estate Agents are essential element of Real Estate Sector, who connect Allottees and Promoters and facilitate most of the real estate transactions. Recognising their importance, **Real Estate (Regulation and Development) Act, 2016** recognises them as one of the key stakeholders along with Allottees and Promoters. Accordingly, every real estate agent is required to be registered with MahaRERA for engaging in any activity relating to marketing, advertising, sale or purchase of any apartments.

Real Estate Agents are the important stakeholders for the allottees and hence should have comprehensive understanding of the real estate transaction in order to guide the allottees and prevent disputes.

Therefore, in order to bring a certain level of consistency in the practices of real estate agents and enhance knowledge and awareness of regulatory framework and practices, MahaRERA has introduced Capacity Building and Certification Program for Real Estate Agents.

1.2. COURSE OBJECTIVES & OUTCOMES

This course is primarily designed to impart Knowledge and guidance to real estate agents on following:

- 1) Comprehensive Understanding of RERA Law and its application from Real Estate Agent Perspective
- 2) Understanding of MahaRERA and its functions
- 3) Understanding of all aspects of real estate fundamentals which will provide an overview of the real estate industry to maximize the level of knowledge, which will in return increase competency
- 4) Knowledge of the quantitative concepts associated with the real estate industry
- 5) Ability to perform as a real estate professional once the registration has been successfully completed by conveying legal and ethical considerations that will maximize knowledge of key , components of the real estate industry.
- 6) Enable the Real Estate Agent to appear for the online certification.

This training handbook is a guide for Real Estate Agents. Considering their crucial role in the real estate business, it is necessary for them to understand Real Estate (Regulation and Development) Act 2016 deeply, so that they carry on their profession with full knowledge of the things and with confidence.

is regulation and promotion of real estate sector. It may be noted that if there is regulation then the sector will function in an orderly manner which is necessary for its growth. Hence promotion of a healthy real estate sector is an objective of the Act.

- (b) The long title further states that the purpose of the Authority will be to ensure sale of plot, apartment or building or sale of real estate project in an efficient and transparent manner. Please note that these are the items which the Act covers and aims at ensuring that all dealings in them shall be in efficient and transparent manner (no hidden dealing).
- (c) The long title further states that the Act aims at protecting the interests of consumers in the sector, which is done by providing a mechanism to redress the disputes. It also provides for an Appellate Tribunal over the decisions of the Authority or its officers.

Therefore, The Act aims at protecting the rights and interests of consumers and promotion of uniformity and standardization of business practices and transactions in the real estate sector. It attempts to balance the interests of allottees, real estate agents and promoters by imposing certain responsibilities on all. It seeks to establish symmetry of information between the promoter and allottee, transparency of contractual conditions, set minimum standards of accountability and a fast-track dispute resolution mechanism.

The Act is applicable across India and its provisions are common to all the States. However, as the subject of regulation over the real estate sector falls under the State List, the scheme of the Act is that every State has its own Real Estate Regulatory Authority. This Authority in every State along with the State Government, makes its own rules and regulations for the working of the Authority and implementation of the provisions of the Act.

2.2. SECTIONS OF THE ACT

The Real Estate (Regulation and Development) Act 2016 has been divided into 10 CHAPTERS and categorized into 92 SECTIONS.

The Act starts with the Preamble, provides title, extent and commencement, registration of real estate projects and real estate agents, functions and duties of promoter, rights and duties of allottees, about Real Estate Regulatory Authority, Central Advisory Council, Real Estate Appellate Tribunal, various offences, penalties, and adjudication, about finances, accounts, audits, and reports and other miscellaneous provisions.

Below is the outline of the Act 2016 in tabular form-

The Real Estate (Regulation and Development) Act, 2016

Chapter No.	Title of the Chapter	Sections Covered
I	Preliminary	1 and 2
II	Registration of Real Estate Project and Real Estate Agents	3 to 10
III	Function and Duties of Promoter	11 to 18
IV	Rights and Duties of Allottees	19
V	The Real Estate Regulatory Authority	20 to 40
VI	Central Advisory Council	41 and 42
VII	The Real Estate Appellate Tribunal	43 to 58
VIII	Offences, Penalties and Adjudication	59 to 72
IX	Finance, Accounts, Audit and Reports	73 to 78
X	Miscellaneous	79 to 92

2.3. KEY COMPONENTS OF THE ACT

The key components of Real Estate (Regulation and Development) Act, 2016 are as follows:

1. Real Estate Regulatory Authority and Appellate Tribunal

Under this Act, appropriate government has to establish Real Estate Regulatory Authority for regulation and promotion of the real estate sector in the State / UTs. The Authority shall strive to facilitate the growth and promotion of a healthy, transparent, efficient and competitive real estate sector while protecting the interest of allottees, promoters and real estate agents. The authority shall also establish an adjudicating mechanism for speedy dispute redressal regarding registered real estate projects. The key responsibilities of the Authority shall be as follows:

- Ensuring Disclosures of Real Estate Projects by Promoters
- Real Estate Projects Registration
- Real Estate Agents Registration
- Complaints Redressal
- Provide recommendations to appropriate Government on matters relating to the development & promotion of real estate sector

The appropriate Government shall also establish Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority. Any person aggrieved by any direction or decision or order made by the Authority or by an adjudicating officer may file an appeal before the Appellate Tribunal and the appeal shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal within a period of sixty days.

2. Real Estate Projects Registration

All commercial and residential real estate projects will have to register except in projects where

- area of land proposed to be developed does not exceed five hundred square meters
- number of apartments proposed to be developed does not exceed eight inclusive of all phases
- promoter has received completion certificate for a real estate project prior to commencement of this Act
- for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project

No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area within Maharashtra, without registering the real estate project with the Real Estate Regulatory Authority. Promoter of ongoing real estate projects, in which all buildings as per sanctioned plan have not received Completion Certificate, shall also be required to be registered for such phase of the project which consists of buildings not having occupation or completion certificate.

If any promoter fails to register as per Act, he shall be liable to a penalty which may extend up to ten per cent of the estimated cost of the real estate project. On continued violation, he shall be punishable with imprisonment for a term which may extend up to three years or with fine which may extend up to a further ten per cent of the estimated cost of the real estate project, or with both.

Apart from Registration, the promoters shall be required to provide quarterly updates on the status of the project to the authority.

3. Real Estate Agents Registration

All Real Estate Agents should register under this Act. No real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, without obtaining registration under this section.

If any real estate agent fails to register, he shall be liable to a penalty of ten thousand rupees for every day during which such default continues, which may cumulatively extend up to five per cent of the cost of plot, apartment or buildings, as the case may be, of the real estate project, for which the sale or purchase has been facilitated

4. Filing of complaints

Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, with respect to any registered real estate project, for any violation or contravention of the provisions of this Act or the rules and regulations made there under. The Authority shall establish an adjudicating mechanism for speedy redressal of such complaints.

Any person aggrieved by any direction or decision or order made by Authority or by an adjudicating officer may file an appeal before the Appellate Tribunal

60 days time limit

Any person aggrieved by any decision or order of the Appellate Tribunal, may file an appeal to the High Court

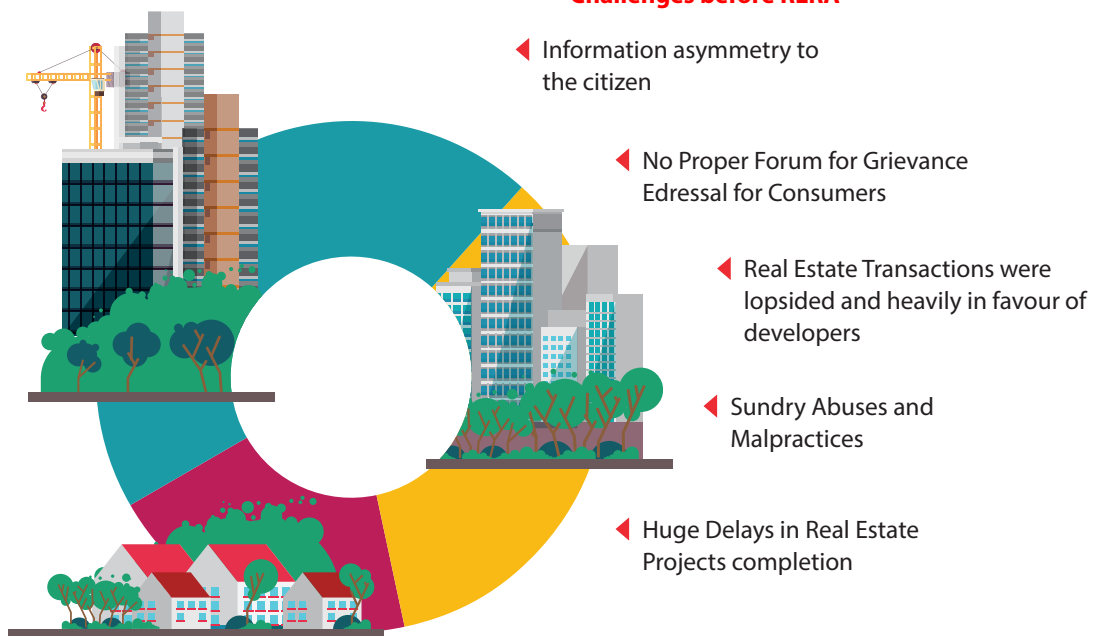


2. Introduction to Real Estate (Regulation and Development) Act 2016 (RERA)

Real Estate Sector is one of the most crucial sectors driving economic growth and providing employment to citizens of India. Yet, it has traditionally been plagued with numerous issues including opaque practices and information asymmetry. Real Estate transactions were lopsided and leaned heavily in favour of developers. Delays were rampant and homebuyers usually did not have a reliable forum to address their grievances. Below are the issues which were adversely impacting the sector:

In order to overcome these challenges, the Central Government brought in the Real Estate (Regulation and Development) Act, 2016, (RERA) to be made fully operational with effect from May 1, 2017. Some sections of the Act were notified from 1st May 2016 and all the State Governments were given one year to formulate their own Rules and Regulations and set up the Authority, to implement the Act from 1st May 2017.

Challenges before RERA



2.1. PREAMBLE, PURPOSE AND OBJECTIVES

The second title of any Act contains the purpose and objectives of that Act. The second title of the RERA Act is as under:

“An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the Adjudicating Officer and for matters connected therewith or incidental thereto.”

A little analysis of the long title will make it clear why the Act was made:

- (a) The Act is for establishing an authority namely Real Estate Regulatory Authority. For any sector to work efficiently, it is necessary to have a regulatory authority and a set of rules for all the stakeholders. This Act provides the same for Real Estate Sector. The purpose of this Authority

3. Maharashtra Real Estate Regulatory Authority (MahaRERA)

Government of Maharashtra established Maharashtra Real Estate Regulatory Authority (MahaRERA), vide Notification No. 23 dated 8 March 2017, for regulation and promotion of real estate sector in the State. Subsequently, MahaRERA was also made the regulatory authority for Daman & Diu and Dadra Nagar Haveli.

Government of Maharashtra further promulgated the following rules detailing the functioning of Authority:

- Maharashtra Real Estate (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017
- Maharashtra Real Estate Regulatory Authority, Chairperson, Members, Officers and Other Employees (Appointment and Service Conditions) Rules, 2017
- Maharashtra Real Estate (Recovery of Interest, Penalty, Compensation, Fine payable, Forms of Complaints and Appeal, etc.) Rules, 2017
- Maharashtra Real Estate Appellate Tribunal, (Members, Officers and Employees) (Appointment and Service Conditions) Rules, 2017
- Maharashtra Real Estate Regulatory Authority (Form of Annual Statement of Accounts and Annual Report) Rules, 2017

Over the past years, Few Amendments have been notified for the aforementioned rules. All these rules with the concerned amendments are available on MahaRERA website.

MahaRERA has notified the following regulations:

- Maharashtra Real Estate Regulatory Authority (General) Regulations 2017
- Maharashtra Real Estate Regulatory Authority (Recruitment and Conditions of Service of Employees) Regulations, 2017
- Maharashtra Real Estate Appellate Tribunal Regulations, 2019

Similarly, few amendments have been undertaken to the above mentioned regulations and they are available on MahaRERA website.

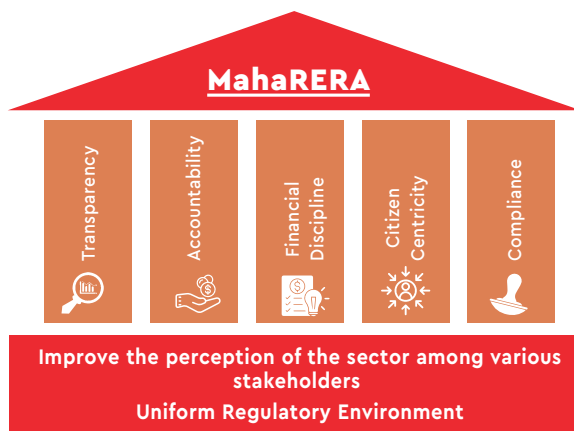
3.1. KEY PILLARS OF MAHARERA

MahaRERA aims to transform the Real Estate Sector, leading it into an era of greater transparency and professionalism, wherein all stakeholders' interests are protected and trust and confidence is established. MahaRERA endeavours to implement the Act in its letter and spirit, promoting transparency, accountability, financial discipline, customer centricity and compliance.

The above mentioned 5 traits of MahaRERA functioning, now form the pillars for completing MahaRERA registered projects and bridging the trust gap between the home buyers and the developers that had become the unfortunate legacy of the sector.

It lays thrust on following key pillars:

5 key Pillars of MahaRERA



A. Transparency

In order to transform Real Estate Sector, transparency in information and transactions is the first need that requires to be addressed. With this objective, MahaRERA ensures that maximum information is available for public view at its website including Information on Registered Projects, Registered Agents, Judgements, Orders etc.

Details of all the Registered Projects are available online for citizens including:

- sanctioned plans, layout plans, along with specifications, approved by the competent authority
- Proposed Plan, Proposed Layout Plan of the whole project and Floor Space Index proposed to be consumed in the whole project, as proposed by the promoter
- Proposed Number of building(s) or wing(s) to be constructed and sanctioned number of the building(s) or wing(s).
- the stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity.
- quarterly update of the list of number and types of apartments or plots, as the case may be, booked
- quarterly update of the list of number of covered parking as well as list of number of garages for sale;
- quarterly update of the list of approvals taken and the approvals which are pending subsequent to commencement certificate, quarterly update of the status of the project; and such other information and documents as may be specified by the regulations made by MahaRERA.
- The advertisement or prospectus issued or published by the promoter shall mention prominently the website address of MahaRERA, wherein all details of the registered project have been entered and include the registration number obtained from the Authority
- The developer has to obtain consent of at least 2/3rd allottees for any major addition or alteration

sec 14

- The developer cannot undertake cancellation of units in an arbitrary manner
- The developer has to deliver the project as per pre-defined time frame
- The developer cannot put out any advertisement of the project before registration with MahaRERA



- The developer has to obtain consent of at least 2/3rd allottees before transferring majority rights to any 3rd party

sec 15

- The developer has to clearly define the number, type and carpet area of the apartment

B. Accountability

Perhaps the greatest benefit that customers have is the reinforced trust in the real estate sector due to enforceability of accountability by the act. The act clearly details the roles of responsibilities of each of the stakeholders including promoters, allottees and agents and holds them accountable for contravention. In case of any unethical business practices by the developer:

- Every officer of the company, who was in charge or was responsible will be liable for the conduct of the company and deemed to be guilty
- Offence by an officer committed with the consent or connivance of any director, manager, secretary or other officer of the company, will also be guilty.



C. Financial Discipline:

The Act has introduced various pioneering initiatives for preventing funds diversion and ensuring audit of each Project. The Act strives to ensure greater financial discipline in the real estate sector. Some of its provisions are as follows:

SEC 13

- A promoter shall not accept more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale
- Seventy per cent of the amounts realized for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose



- Withdrawal from such accounts shall be in proportion to the percentage of completion of the project, which shall be certified by an engineer, an architect and a chartered accountant in practice. Form 1/2/3

- Promoter to compensate buyer for any false or incorrect statement with full refund of property cost with interest sec 12

- Project Accounts to be audited within six months after the end of every financial year. Copy to be submitted to MahaRERA Form 5 Timeline 30th sept
- Provision for MahaRERA to freeze project bank account upon non-compliance
- Provision for stronger financial penalties for MahaRERA non-compliances

D. Customer Centricity

One of the key pillars of the new regime is protecting the interests of allottees. MahaRERA aims at protecting the interests as well as establishing trust and confidence between all stakeholders of real estate sector. MahaRERA has brought focus to the treatment of the allottees in a fair and timely manner.

- Citizens shall be able to view, on MahaRERA website, all disclosures pertaining to registered projects. This shall enable data driven informed decision making.
- Promoter cannot make any additions and alterations in the sanctioned plans, layout plans and specifications and the nature of fixtures, fittings and amenities etc. without the previous consent of at least two-thirds of the allottees, other than the promoter, who have agreed to take apartments in such building. sec 14
- If the promoter fails to complete or is unable to give possession of an apartment, plot or building, in accordance with the terms of the agreement for sale, he shall be liable to pay interest for every month of delay. Further, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him with interest sec18
- Promoter to enable formation of Legal Entity like Cooperative Society, Company, Association, Federation etc. within three months from the date on which 51 per cent of the total number of allottees in such a building or a wing, have booked their apartment.
- Promoter shall execute a registered conveyance deed in favour of the allottee within three months from date of issue of occupancy certificate. sec 17



E. Compliance

- All Basic Approvals in place before RERA Registration and these approvals in public forum
- Registration of agents/brokers with RERA portal sec 9
- Project registration with RERA on portal sec 3
- One (1) year extension in case of delay in Real Estate projects sec 6
- Speedy Dispute resolution at RERA and Appellate Tribunal
- Developers to share details of projects launched in the last 5 years with status and reason for the delay with RERA
- Annual audit of project accounts by a Chartered Accountant Form 5
- Conveyance deed for common areas in favour of Association of allottees sec 17
- Separate registration of different phases of a single project
- Mandatory registration of new and existing projects with RERA
- Authenticated copy of all approvals, to be given when applying for project registration with RERA commencement certificate, sanctioned plan, layout plan, specification, sec 4
- Plan of development work, proposed facilities, proforma allotment letter, agreement for sale and conveyance deed



4. Understanding of MahaRERA Portal

Maharashtra Real Estate Regulatory Authority (MahaRERA) has operationalized a web-based online system for the entire operations of MahaRERA. Accordingly, a web-based online system is established and MahaRERA is completely digital. The portal of the MahaRERA is <https://maharera.mahaonline.gov.in> in maharera.mahaonline.gov.in new website address

Here are some of the features of the RERA portal for every stakeholder

1. Key Services for Real Estate Agent on MahaRERA Portal

- Real Estate Agent Registration
- Real Estate Agent Renewal
- Corrections
- View Real Estate Project Details
- Make a Complaint
- Search Orders / Judgements of Authority
- Search Projects / Agents / Complaints
- And so on

2. Key Services for Allottees on MahaRERA Portal

- View Details of All Real estate Registered Projects
- Make a Complaint
- Search Orders / Judgements / Warrant Details
- Search Projects / Agents / Complaints
- View Cause list
- Complaints against Non-registered Project
- View Projects on GIS
- View all complaints project wise and promoter wise
- And so on

3. Key Services for Promoters on MahaRERA Portal

- Project Registration
- Project Updates
- Project Corrections
- Project Extension
- Major Modifications
- Make a Complaint
- Search Orders / Judgements
- Download Forms & Formats

And so on

4.1. VIRTUAL TOUR OF THE PORTAL

Let's look at the web portal's home page or the landing page. A landing page is any web page that a visitor can land on that serves a single and focused purpose to let someone, know more about the organization and understand its services.

Here is the landing page of the MahaRERA web portal. By default, it's in Marathi, by clicking on the English tab, you can jump to the English version of the portal:

5. Real Estate Agent Registration and Responsibilities



5.1. Who is Real Estate Agent as per RERA?

As per the Section 2 (zm) of the Act, “real estate agent” means any person, who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building, as the case may be, in a real estate project, by way of sale, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him and receives remuneration or fees or any other charges for his services whether as a commission or otherwise and includes a person who introduces, through any medium, prospective buyers and sellers to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be, and includes property dealers, brokers, middlemen by whatever name called.

Therefore, any person or organisation who fits in above definition is considered to be a Real Estate Agent under RERA and accordingly has to be registered with the authority.

5.2. Registration of Real Estate Agents as per Section 9 of the Act

Section 9 of the Act, details registration requirements and process for Real Estate Agent. The provisions under Section 9 are:

“9(1) No real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under section 3, being sold by the promoter in any planning area, without obtaining registration under this section.”

This is a strict stipulation that an agent should not be involved in any sale or purchase either directly or indirectly with any project (plot or building or apartment) unless the agent has been registered with concerned RERA.

“9(2) Every real estate agent shall make an application to the Authority for registration in such form, form G manner, within such time and accompanied by such fee and documents as may be prescribed.”

In order to register with RERA, Real Estate Agents should apply as per the form, submit all required documents and pay fees as prescribed.

“9(3) The Authority shall, within such period, in such manner and upon satisfying itself of the fulfilment of such conditions, as may be prescribed:

- a. grant a single registration to the real estate agent for the entire State of Union territory, as the case may be; form H
- b. reject the application for reasons to be recorded in writing, if such application does not conform to the provisions of the Act or the rules or regulations made thereunder:”

Once the application is received, the Authority will verify and confirm that the agent is bonafide and then issue a registration number as applicable. This registration will enable the agent to transact within

the entire State of Maharashtra. In case the application is rejected, the reason for rejecting will be provided in writing to the agent by the Authority. The applications can be rejected only if they do not meet the criteria laid out under the Act.

“Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard in the matter.”

Before the application is rejected, the agent will be given a chance to explain any non-conformance. Only if the agent is unable to provide the required explanations will the application be rejected.

“9(4) Whereon the completion of the period specified under sub-section (3), if the applicant does not receive any communication about the deficiencies in his application or the rejection of his application, he shall be deemed to have been registered.”

30 days

In case the agent does not get any rejection intimation within the time period for approval, then it may be understood that the agent's application is deemed to have been registered.

“9(5) Every real estate agent who is registered as per the provisions of this Act or the rules and regulations made thereunder, shall be granted a registration number by the Authority, which shall be quoted by the real estate agent in every sale facilitated by him under this Act.”

Every successful application is given a unique registration number. The agent has to quote this registration number in every transaction.

“9(6) Every registration shall be valid for such period as may be prescribed and shall be renewable for a period in such manner and on payment of such fee as may be prescribed.”

The agent registrations have a time validity of five years and should be renewed.

“9(7) Where any real estate agent who has been granted registration under this Act commits breach of any of the conditions thereof or any other terms and conditions specified under this Act or any rules or regulations made thereunder, or where the Authority is satisfied that such registration has been secured by the real estate agent through misrepresentation or fraud, the Authority may, without prejudice to any other provisions under this Act, revoke the registration or suspend the same for such period as it thinks fit:

Provided that no such revocation or suspension shall be made by the Authority unless an opportunity of being heard has been given to the real estate agent.”

Post the successful agent registration and in case it has been discovered that the agent had given false information like false documents etc. or if there has been any violation of the provisions of the Act by the agent, then the agent's registration can be revoked or suspended by the authority. However, the agent will be given an opportunity to clarify before the registration is revoked or suspended.

5.3. Type of Real Estate Agents

MahaRERA has identified two categories of Real Estate Agents, mainly for Registration perspective:

- Individuals
- Other than Individuals (Company, Partnership, Proprietorship, Society, Others)

Who is an individual real estate agent?

1. A person carrying out the business of Real Estate Agent in his own name and having no employee.
2. This individual is responsible for the real estate transaction right from sourcing leads, prospecting, viewing, closing deals and finally obtaining the



brokerage.

3. This individual has registered with his name appearing on his legal documentation
4. Certificate of Registration issued by MahaRERA will be on his personal name, as shown in the documents

Who is a non-Individual real estate agent?

1. Person/s carrying out business in his/her organisation name be it any kind - Proprietorship, Partnership, Company, Society, Others.
2. The business is registered under the name of the organisation.
3. There may be one employee or more working in different roles taking care of the marketing, sales, viewing, legal documentation, accounts etc.
4. Certificate of Registration issued by MahaRERA will be on the name of the organisation.

Why is this differentiation important?

The organisation is liable for all consequences of each employees' actions, representation etc.

The organisation is liable for the code of conduct of each of his employee.

All communication from the organisation's employees to any clients have to carry the MahaRERA Registration number clearly.

5.4. Registration Application and Process

Rule 11 and 12 of Maharashtra Real Estate (Regulation and Development) (Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017 detail out the process for Application for Registration by the real estate agent and Grant of Registration to the real estate agent. It is as follows:

"11(1) Every real estate agent required to be registered as per sub-section (2) of section 9 shall make an application in writing, - in case of registered real estate projects, forthwith and in any case prior to engaging in any activity relating to marketing, advertising sale or purchase of any apartments."

Real Estate Agents have to mandatorily register themselves before engaging in any activity relating to marketing, advertising or sale of any apartments.

"11(2) The application shall be in Form 'G'. The following documents shall also be submitted along with the application, namely: -

- a. brief details of his enterprise including its name, registered address of place of business, type of enterprise (proprietorship firm, societies, partnership, company etc.); Registration numbers, PAN, Aadhar Card No, DIN, as the case may be, under which returns are required to be filed with statutory authority;
- b. particulars of registration obtained under other laws, and rules and regulations, as the case may be, along with the authenticated copy of partnership deeds, memorandum of association, articles of association, etc.;
- c. recent colour photographs of the real estate agent, if an individual and of all the partners, directors, trustees, etc. including persons in service or assigned work expected on a real estate agent, in case of other entities;
- d. income-tax returns for last three financial years preceding the application or in case the applicant was exempted from filing returns in any of the three-year preceding the application, a declaration to such effect;
- e. authenticated copy of the proof of address of the principal place of business, number of branch offices if any along with contact details including Telephone Numbers, Fax Numbers and email

address; and

- f. details (if any) of all real estate projects and their promoters on whose behalf he has acted as real estate agent in preceding five years;
- g. details of all civil or criminal cases pending against him if an individual or any of the partners, directors, trustees etc. in case of other entities;
- h. authenticated copies of all letter heads; rubber stamp images, acknowledgement receipts proposed to be used by the real estate agent;
- i. such other information and documents, as may be specified by regulations.”

This Rule details the various information to be provided by the Real Estate Agent in the application along with supporting documents.

“11(3) (i) sum of rupees ten thousand, in case of applicant being an individual; and
(ii) rupees one lakh, in case of the applicant being other than an individual.”

11(4) The fees for registration of real estate project shall be paid through NEFT or RTGS System or any other digital transaction mode.”

This section details the application fees to be paid for real estate agent registration and mode of payment.

“11(5) The real estate agent upon being engaged by the promoter under clause (f) of sub-section (2) of section 4 for a real estate project shall maintain and preserve books of accounts, records and documents separately for each such real estate project.”

When promoters engage real estate agents for marketing and sale of projects, they are required to maintain separate records of all financial transactions for each project.

“12 (1) The Authority, may, within 30 days of receipt of application, satisfying itself of the fulfilment of such conditions,

- a. accept the application and grant registration certificate to the real estate agent;
- b. upon the registration of a real estate agent as per section 9 read with sub-rule (1) of Rule 11, the Authority shall issue a registration certificate with a registration number in Form ‘H’.”

On scrutiny and acceptance of the Registration application by authority, Registration Certificate shall be issued by the Authority. Each Registration certificate shall contain unique registration number.

“12 (2) In case of rejection of the application as per section 9 or the rules or regulations made there under, the Authority shall, after recording the reasons in writing in form the applicant in Form ‘I’:

Provided that, no application for registration of a real estate agent shall be rejected unless the applicant has been given an opportunity of being heard in the matter by the Authority.”

In case of rejection of Registration Application by the Authority, the reasons for the same shall be provided in writing by the authority. Further, no application shall be rejected without giving an



opportunity of being heard to the Real Estate Agent.

"12 (3) (a) On completion of period as indicated in sub-rule (1) above, the Authority shall, if the application is not rejected, provide registration number to the applicant within seven days;

(b) if the authority fails to issue any communication about the deficiencies in his application, the application shall be deemed to have been granted and the applicant shall be deemed to have been registered and the authority shall issue a registration number to such applicant accordingly".

This section enables deemed registration for Real Estate Agents across Maharashtra.

"12 (4) The registration granted under this rule shall be valid for a period of five years:"

The validity of Registration for Real Estate Agents is five years. Agents are required to renew their registration on completion of this period.

"Explanation. - The public authorities established under Special Local Laws which may sell Apartments or Buildings or Plot under any real estate project through Public Lottery as per their Rules or Regulations shall not be required to be registered as real estate agent, under these rules."

This clause exempts public authorities from registration as real estate agent.



5.5. Renewal of Registration of Real Estate Agents

The Rules referred above stipulates that the validity of registration of Real Estate Agents is five years. The agents are required to renew their registration on completion of this period. The process for renewal of Registration of Real Estate Agent is detailed in Rule 13 of Maharashtra Real Estate (Regulation and Development) (Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017.

"13 (1) A real estate agent to whom registration has been granted under section 9 may, make an application for renewal of his registration, at least sixty days prior to the expiry of the registration. The application shall be in Form 'J' and shall be accompanied with the same fees as are applicable in case of new registration, under these rules."

This section highlights that the process for renewal of real estate agent registration may commence, atleast sixty days prior to expiry of registration. The renewal application and fees shall be as prescribed.

"13 (2) The real estate agent shall also submit all the updated documents set out in clauses (a) to (i) of sub-rule (2) of rule 11 at the time of application for renewal. In case of renewal of registration, the authority shall inform the real estate agent about the same in Form 'K' and in case of rejection of the application for renewal of registration the authority, shall inform the real estate agent in Form 'I':

Provided that, no application for renewal of registration shall be rejected unless the applicant has been given an opportunity of being heard in the matter.”

This section details the required documents to be submitted for renewal. On successful scrutiny, Renewal certificate shall be issued by authority to Real Estate Agent. In case of rejection, Agent shall be given an opportunity to be heard before final rejection.

“13 (3) The renewal of registration of the real estate agent shall be granted provided that the real estate agent continues to comply with the provisions and the rules and regulations made there under.”

The agent’s registration will be renewed only if the agent continues to follow all the provisions, rules and regulations under the Act..

“13 (4) The renewal granted of registrations to a real estate agent under this rule shall also be valid for a period of five years from the date of its renewal.”

The agent registration once renewed will be valid for 5 years from the date of renewal.

5.6. Functions of Real Estate Agents

As Real Estate Agents are important stakeholders, the Act and the rules list important functions and obligations of Real Estate Agents, which every agent has to comply with.

(i) Functions of the Real Estate Agents as per Section 10 of the Act:

“10 Every real estate agent registered under section 9 shall—

- (a) not facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being sold by the promoter in any planning area, which is not registered with the Authority;”

Every Real Estate Agent has to ensure that they facilitate sale / marketing / advertisement of only those projects that are registered with MahaRERA.

- (b) maintain and preserve such books of account, records and documents as may prescribed;”

Every Real Estate agent has to maintain books of account and record of all transaction facilitated for individual projects separately.

- (c) not involve himself in any unfair trade practices, namely:—

(i) the practice of making any statement, whether orally or in writing or by visible representation which—

- (A) falsely represents that the services are of a particular standard or grade;
- (B) represents that the promoter or himself has approval or affiliation which such promoter or himself does not have;
- (C) makes a false or misleading representation concerning the services;

(ii) permitting the publication of any advertisement whether in any newspaper or otherwise of services that are not intended to be offered.”

Every Real Estate Agent should ensure that they are not involved in unfair trade practices including any kind of misrepresentation in oral or written form. They shouldn’t falsely represent or advertise services that are not offered by the promoter.

- (d) facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building, as the case may be;”

Real Estate Agent should ensure that Allottee has all the concerned information and documents, for informed decision making, at the time of booking.

(e) discharge such other functions as may be prescribed.”

Real Estate Agents should discharge all such functions and obligations as prescribed by the Authority.

(ii) Obligations of registered real estate agents as per Rule 14

Rule 14 of Maharashtra Real Estate (Regulation and Development) (Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017 prescribe few obligations for the registered real estate agents as follows:

“14 (1) Every registered real estate agent shall prominently display number of his Registration Certificate at the principal place of business and at its branch offices.”

Every agent must prominently display its registration number at its principal office and all branches.

“14 (2) Every registered real estate agent shall quote his number of their registration all the documents relating to advertisement, marketing, selling or purchase issued by the real estate agent along with the number of registration certificate of the real estate project.”

Further, it is important for every real estate agent to clearly display his/her registration number in any marketing collateral he/she develops.

(iii) Maintenance and preservation and production of books of accounts, records and documents as per Rule 16

Rule 16 of Maharashtra Real Estate (Regulation and Development) (Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017 states that:

“16. Every registered real estate agent shall maintain and preserve such books of accounts, records and documents as he may be required in accordance with the provisions of the Income Tax Act, 1961 or the Companies Act, 2013 or under any other law applicable for the time being in force or rules and regulations framed there under and will be required to produce them for inspection if so needed for grant or renewal of the registration.”

It is important for the agents to keep all financial and legal records of transactions diligently. These records may be called for inspection by Authority during renewal on enquiry.

(iv) Other functions of a real estate agent as per Rule 17

Rule 17 of Maharashtra Real Estate (Regulation and Development) (Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017 states that:

“17. The real estate agent shall provide assistance to enable the allottee and promoter of each real estate project, to exercise their respective rights and fulfil their respective obligations at the time of marketing and selling, purchase and sale of any plot, apartment or building, as the case may be and not involve himself in any unfair trade practices, namely: -



- (i) making any statement, whether orally or in writing or by visible representation which-
 - a. falsely or knowingly represents that services or amenities are of a particular standard or grade.
 - b. represents that the Promoter or himself has approval or affiliation which such promoter or himself does not have;
 - c. makes a false or misleading representation concerning the services which the promoter does not have
- (ii) permitting the publication of any advertisement whether in any newspaper or other media, of services that are not intended to be offered by the promoter.
- (iii) facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building or as the case may be;
- (iv) discharge such other functions as prescribed by the regulations of the Authority."

This Rule clearly emphasizes the importance of Real Estate Agent in any transaction. Firstly, Agent assists the allottees by empowering them with all necessary information and knowledge to make informed decisions. Secondly, they also assist the developers in fulfilling their respective obligations.

In order to implement its obligations, agent must ensure that it doesn't indulge in any unfair trade practices.

5.7. Revocation of Registration of Real Estate Agents

Rule 15 of Maharashtra Real Estate (Regulation and Development) (Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017 details the process for revocation of registration of real estate agent and consequence of it thereafter.

"15 (1) Where any real estate agent who has been granted registration certificate number commits breach of any terms and conditions specified under these rules or regulations made there under, or where the Authority is satisfied that such registration has been secured by the real estate agent through misrepresentation or fraud, the Authority may, without prejudice to any other provisions under the Act, either suo-motu or on an application or complaint from the promoter or allottee or revoke the registration or suspend the same for such period as the Authority thinks fit and inform all the promoters:

Provided that, no such revocation or suspension of registration shall be made by the Authority unless an opportunity of being heard has been given to the real estate agent.

(2) Where the Authority revokes the registration it shall intimate about the same to the concerned real estate agent in Form 'I':

Provided that, on the revocation of the registration by the Authority of any real estate agent; fresh application for grant of registration cannot be made again within a period of six months by such real estate agent"

As per Rule 15, if the Authority comes to know that the agent has acted in contravention to any provision of Act, Rules or Regulations or provided false information, then the Authority, either acting on a complaint or on its own, can revoke the agent's registration and disallow him/her from transacting.

Once the registration has been revoked, the agent cannot make any application for registration for at least six months.

6. Real Estate Project Registration and Promoter Responsibilities



A real estate agent is responsible for facilitating transaction between promoter and allottee, hence must be aware of various functions and duties of Promoter including Project Registration, Project Updates, Project Extensions and so on. Hence, this chapter is included in this handbook for Agents, in order to give them brief information about real estate project registration and promoter responsibilities

Promoter is defined as per Section 2 (zk) of the Act as follows:

“(zk) “promoter” means,—

- (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or
- (ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or
- (iii) any development authority or any other public body in respect of allottees of—
 - (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or
 - (b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or
- (iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or
- (v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or
- (vi) such other person who constructs any building or apartment for sale to the general public.

Explanation.—For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder;”

Therefore, Promoter includes builder, coloniser, contractor, developer, estate developer etc. who are responsible for developing and selling real estate project.

Real Estate Project is defined as per Section 2 (zn) of the Act as follows:

“(zn) “real estate project” means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;”

The terms “apartment” and “building” as used in the aforesaid definition which is defined under the Act not only covers residential projects but also covers commercial projects.

This Act lays down various provisions for ensuring sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector.

6.1. Registration of Real Estate Projects

One of the key foundation of the Act is Registration of Real Estate Projects. Real estate projects, with some exceptions, need to be registered with RERAs. Promoters cannot book or offer these projects for sale without registering them.

Section 3 of the Act provides details on Project Registration as follows:

“3. (1) No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act:

Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.

(2) Notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required —

- (a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases:

Provided that, if the appropriate Government considers it necessary, it may, reduce the threshold below five hundred square meters or eight apartments, as the case may be, inclusive of all phases, for exemption from registration under this Act;

- (b) where the promoter has received completion certificate for a real estate project prior to commencement of this Act;
- (c) for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project.

Explanation.—For the purpose of this section, where the real estate project is to be developed in

phases, every such phase shall be considered a stand alone real estate project, and the promoter shall obtain registration under this Act for each phase separately.”

Therefore, As per **Section 3 of** the Act, All commercial and residential real estate projects including plotted development shall have to be registered with MahaRERA, except in projects where:

- **Area of land proposed to be developed does not exceed five hundred square meters**

Or

- **Number of apartments proposed to be developed does not exceed eight inclusive of all phases**

Or

- **Promoter has received Occupancy Certificate for a real estate project prior to commencement of this Act**

Further, Entire State of Maharashtra (Rural as well as Urban) is under Planning Area of Maharashtra Regional and Town Planning (MR&TP) Act and hence is covered under MahaRERA.

No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area within Maharashtra, without registering the real estate project with MahaRERA

6.2. Registration Application and Process

The entire Project Registration process is completely digital and MahaRERA commenced online registration process from 1st May 2017.

The details of **Application Form and supporting documents are listed in Section 4** of the Act as follows:

“ 4. (1) Every promoter shall make an application to the Authority for registration of the real estate project in such form, manner, within such time and accompanied by such fee as may be specified by the regulations made by the Authority.

(2) The promoter shall enclose the following documents along with the application referred to in sub-section (1), namely:—

- a brief details of his enterprise including its name, registered address, type of enterprise (proprietorship, societies, partnership, companies, competent authority), and the particulars of registration, and the names and photographs of the promoter;**
- a brief detail of the projects launched by him, in the past five years, whether already completed or being developed, as the case may be, including the current status of the said projects, any delay in its completion, details of cases pending, details of type of land and payments pending;**



- (c) an authenticated copy of the approvals and commencement certificate from the competent authority obtained in accordance with the laws as may be applicable for the real estate project mentioned in the application, and where the project is proposed to be developed in phases, an authenticated copy of the approvals and commencement certificate from the competent authority for each of such phases;
- (d) the sanctioned plan, layout plan and specifications of the proposed project or the phase thereof, and the whole project as sanctioned by the competent authority;
- (e) the plan of development works to be executed in the proposed project and the proposed facilities to be provided thereof including fire fighting facilities, drinking water facilities, emergency evacuation services, use of renewable energy;
- (f) the location details of the project, with clear demarcation of land dedicated for the project along with its boundaries including the latitude and longitude of the end points of the project;
- (g) proforma of the allotment letter, agreement for sale, and the conveyance deed proposed to be signed with the allottees;
- (h) the number, type and the carpet area of apartments for sale in the project along with the area of the exclusive balcony or verandah areas and the exclusive open terrace areas apartment with the apartment, if any;
- (i) the number and areas of garage for sale in the project;
- (j) the names and addresses of his real estate agents, if any, for the proposed project;
- (k) the names and addresses of the contractors, architect, structural engineer, if any and other persons concerned with the development of the proposed project;
- (l) a declaration, supported by an affidavit, which shall be signed by the promoter or any person authorised by the promoter, stating:—
 - (A) that he has a legal title to the land on which the development is proposed along with legally valid documents with authentication of such title, if such land is owned by another person;
 - (B) that the land is free from all encumbrances, or as the case may be details of the encumbrances on such land including any rights, title, interest or name of any party in or over such land along with details;
 - (C) the time period within which he undertakes to complete the project or phase thereof, as the case may be;
 - (D) that seventy per cent. of the amounts realised for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose:

Provided that the promoter shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project:

Provided further that the amounts from the separate account shall be withdrawn by the promoter after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project:

Provided also that the promoter shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

Explanation.— For the purpose of this clause, the term “schedule bank” means a bank included in the

Second Scheduled to the Reserve Bank of India Act, 1934;

(E) that he shall take all the pending approvals on time, from the competent authorities;

(F) that he has furnished such other documents as may be prescribed by the rules or regulations made under this Act; and

(m) such other information and documents as may be prescribed.

(3) The Authority shall operationalise a web based online system for submitting applications for registration of projects within a period of one year from the date of its establishment.”

This section lists all the documents and information to be submitted by the Promoter for Registration of Project. MahaRERA makes available all this information (apart from personal information of Promoters like PAN Number etc.) for public viewing through their portal so that homebuyers can make informed decision making. In earlier chapter, the procedure to view these details on MahaRERA web portal was listed in detail.

Another important information to be submitted by Promoter is as per Section 4 (2) (j), wherein promoter has to provide list of Real Estate Agents allowed to facilitate booking or sale of the apartments in the projects. Only those Real Estate Agents listed by Promoter in this section are authorized to market, advertise or facilitate sale in the real estate project. The promoter can update this list on regular basis.

On submission of Application for Project Registration, the Authority follows the procedure as listed in **Section 5 of the Act for granting registration.**

“5. (1) On receipt of the application under sub-section (1) of section 4, the Authority shall within a period of thirty days.

(a) grant registration subject to the provisions of this Act and the rules and regulations made thereunder, and provide a registration number, including a Login Id and password to the applicant for accessing the website of the Authority and to create his web page and to fill therein the details of the proposed project; or

(b) reject the application for reasons to be recorded in writing, if such application does not conform to the provisions of this Act or the rules or regulations made thereunder:

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard in the matter.

(2) If the Authority fails to grant the registration or reject the application, as the case may be, as provided under sub-section (1), the project shall be deemed to have been registered, and the Authority shall within a period of seven days of the expiry of the said period of thirty days specified under sub-section (1), provide a registration number and a Login Id and password to the promoter for accessing the website of the Authority and to create his web page and to fill therein the details of the proposed project.

(3) The registration granted under this section shall be valid for a period declared by the promoter under sub-clause (C) of clause (1) of sub-section (2) of section 4 for completion of the project or phase thereof, as the case may be.”

On receiving the application, the authority scrutinizes the application and grants Project Registration on satisfaction of all terms and conditions. The registration is valid from date of issuance of Registration Certificate to Date of Completion of Project as provided by Promoter during the Registration Application.

The Authority strives to provide the registration certificate within 30 days of receipt of complete application. The promoter may apply for withdrawal of application for registration of the real estate project before the expiry of the period of 30 days of its submission and before MahaRERA has approved registration. Rs. 5000 is retained as administrative charges, in withdrawal cases.

6.3. Extension of Registration

In exceptional situations, MahaRERA allows for extension of validity of Project Registrations as per provisions of Section 6 of the Act.

"6. The registration granted under section 5 may be extended by the Authority on an application made by the promoter due to force majeure, in such form and on payment of such fee as may be prescribed:

Provided that the Authority may in reasonable circumstances, without default on the part of the promoter, based on the facts of each case, and for reasons to be recorded in writing, extend the registration granted to a project for such time as it considers necessary, which shall, in aggregate, not exceed a period of one year:

Provided further that no application for extension of registration shall be rejected unless the applicant has been given an opportunity of being heard in the matter.

Explanation.— For the purpose of this section, the expression "force majeure" shall mean a case of war, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature affecting the regular development of the real estate project."

Due to Force Majeure reasons, Promoter can apply for extension of validity of Project Registration with such supporting documents and fees as prescribed by authority. The authority without default on the part of the promoter based on the facts of each case extend the registration granted to a project on scrutiny and satisfaction, and for such time provided that such period shall not exceed more than one year in aggregate.

6.4. Revocation of Registration

In case a promoter is non-compliant with the provisions of the Act, Rules and Regulations made thereunder, then the Authority can revoke the project registration. Subsequent to revocation, the promoter will not be able to market, advertise or sell his project. The Bank Account of the Project may be frozen by the authority and the promoter shall be listed on the website as a defaulter.

The Revocation procedure is as per Section 7 of the Act:

"7 (1)The Authority may, on receipt of a complaint or suo motu in this behalf or on the recommendation of the competent authority, revoke the registration granted under section 5, after being satisfied that—

(a) the promoter makes default in doing anything required by or under this Act or the rules or the regulations made thereunder;

(b) the promoter violates any of the terms or conditions of the approval given by the competent authority;

(c) the promoter is involved in any kind of unfair practice or irregularities.

Explanation.—For the purposes of this clause, the term "unfair practice means" a practice which, for the purpose of promoting the sale or development of any real estate project adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:—

(A) the practice of making any statement, whether in writing or by visible representation which,—

(i) falsely represents that the services are of a particular standard or grade;

(ii) represents that the promoter has approval or affiliation which such promoter does not have;

(iii) makes a false or misleading representation concerning the services;

(B) the promoter permits the publication of any advertisement or prospectus whether in any newspaper or otherwise of services that are not intended to be offered;

(d) the promoter indulges in any fraudulent practices."

Revocation proceedings can be initiated by authority on its own or on receipt of any complaint. The project registration can be revoked if the promoter has violated any provisions of the Act, Rules and Regulations or indulged in any unfair or fraudulent practice.

Any deceptive practice used to carry forward the sale or development of the real estate project maybe a ground for revocation of the registration for such a project including-

- false representation of the availability of services of certain standards made through advertisements, hoardings, brochures etc.
- false representation made by the promoter of having any approvals or affiliations which he does not have.
- indulging in any fraudulent practice.
- publication of such services which are not intended to be offered.

"7(2) The registration granted to the promoter under section 5 shall not be revoked unless the Authority has given to the promoter not less than thirty days notice, in writing, stating the grounds on which it is proposed to revoke the registration, and has considered any cause shown by the promoter within the period of that notice against the proposed revocation."

The project registration shall not be revoked until the complete procedure has been followed. Authority shall give thirty days notice to the promoter and heard the submissions of the promoter, if any.

"7 (3) The Authority may, instead of revoking the registration under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose in the interest of the allottees, and any such terms and conditions so imposed shall be binding upon the promoter."

Further, the authority may instead of revoking the registration, permit the project registration to remain in force and impose specific terms and conditions in interest of allottees and completion of project. Such additional terms and conditions are binding on the promoter and have to be followed diligently.

" 7 (4) The Authority, upon the revocation of the registration,—

- (a) shall debar the promoter from accessing its website in relation to that project and specify his name in the list of defaulters and display his photograph on its website and also inform the other Real Estate Regulatory Authority in other States and Union territories about such revocation or registration;
- (b) shall facilitate the remaining development works to be carried out in accordance with the provisions of section 8;
- (c) shall direct the bank holding the project bank account, specified under subclause (D) of clause (I) of sub-section (2) of section 4, to freeze the account, and thereafter take such further necessary actions, including consequent de-freezing of the said account, towards facilitating the remaining development works in accordance with the provisions of section 8;
- (d) may, to protect the interest of allottees or in the public interest, issue such directions as it may deem necessary."

Upon revocation of registration of the real estate project following shall be consequences:

- the promoter will not be allowed to market, advertise or sell the concerned real estate project
- The promoter will not be allowed to access the project on the MahaRERA website
- The Promoter will be listed as a defaulter on the MahaRERA website and his name and photograph shall be displayed prominently. Further the list of defaulting promoters shall be shared to all RERAs across India.
- The Authority shall freeze projects bank account and promoter shall not have access to any of the

funds.

- The Authority will inform and discuss with the State government about the project whose registration has been cancelled and then decide if the completion of that project can be done by a suitable authority or the allottees association. The allottees will be asked first if they prefer to self develop the project and only if they do not accept, will the Authority hand over the completion responsibility to another competent authority **as per section 8 of the Act** as follows:

"8. Upon lapse of the registration or on revocation of the registration under this Act, the Authority, may consult the appropriate Government to take such action as it may deem fit including the carrying out of the remaining development works by competent authority or by the association of allottees or in any other manner, as may be determined by the Authority:

Provided that no direction, decision or order of the Authority under this section shall take effect until the expiry of the period of appeal provided under the provisions of this Act:

Provided further that in case of revocation of registration of a project under this Act, the association of allottees shall have the first right of refusal for carrying out of the remaining development works"

The appropriate Government will be consulted by authority to take such action which will also include carrying out of the balance work by the Competent authority / Association of Allottees as in any other manner. The action as above shall have to be taken by the authority by passing an order / direction and such order of the authority shall take effect after 60 days which is the time period within which an appeal is required to be filed. Further, the Association of Allottees has the first right of refusal for carrying out of the remaining development work.

6.5. Functions and Duties of Promoter sec 11

Being an intermediary, a Real Estate Agent must have full knowledge of the functions and duties of promoter, hence this section is included in this handbook.

The Act emphasizes on accountability and therefore, provides list of responsibilities for all stakeholders. Various Functions and Duties of Promoters are detailed in section 11, 12, 13,14,15, 17 and 18 of the Act. In this section, we shall list various functions and duties of Promoters.

(i) Ensuring Quarterly update of progress of the Project

"11. (1) The promoter shall, upon receiving his Login Id and password under clause (a) of sub-section (1) or under sub-section (2) of section 5, as the case may be, create his web page on the website of the Authority and enter all details of the proposed project as provided under sub-section (2) of section 4, in all the fields as provided, for public viewing, including—

- (a) details of the registration granted by the Authority;
- (b) quarterly up-to-date the list of number and types of apartments or plots, as the case may be, booked;
- (c) quarterly up-to-date the list of number of garages booked;
- (d) quarterly up-to-date the list of approvals taken and the approvals which are pending subsequent to commencement certificate;
- (e) quarterly up-to-date status of the project; and
- (f) such other information and documents as may be specified by the regulations made by the Authority"

In order to ensure that homebuyers can track the progress of the project online, promoter has to keep updating the progress of the project on quarterly basis. Upon receiving registration certificate, the promoter has to ensure quarterly updates of various details of project including

- list of number and types of apartments or plots, as the case may be, booked;

- list of number of garages booked;
- list of approvals taken and the approvals which are pending subsequent to commencement certificate;
- Financial and Physical status of the project
- Other updates in the project
- such other information and documents as may be specified by the regulations made by the Authority

(ii) Veracity of Advertisements or Prospectus

"11(2) The advertisement or prospectus issued or published by the promoter shall mention prominently the website address of the Authority, wherein all details of the registered project have been entered and include the registration number obtained from the Authority and such other matters incidental thereto"

All the marketing collaterals of the Promoter should prominently mention the MahaRERA Project Registration number so that Allottee can easily verify the details of the project online.

"12. Where any person makes an advance or a deposit on the basis of the information contained in the notice advertisement or prospectus, or on the basis of any model apartment, plot or building, as the case may be, and sustains any loss or damage by reason of any incorrect, false statement included therein, he shall be compensated by the promoter in the manner as provided under this Act:

Provided that if the person affected by such incorrect, false statement contained in the notice, advertisement or prospectus, or the model apartment, plot or building, as the case may be, intends to withdraw from the proposed project, he shall be returned his entire investment along with interest at such rate as may be prescribed and the compensation in the manner provided under this Act."

If any allottee has been adversely affected due to wrong information provided in the advertisement or prospectus, he shall be compensated by the promoter in the manner as provided under this Act. Further, if allottee wants to withdraw due to wrong information, he can withdraw and he shall be returned his entire investment along with interest at such rate as may be prescribed.

(iii) End to End Responsibility till Conveyance of the Project

"11(3) The promoter at the time of the booking and issue of allotment letter shall be responsible to make available to the allottee, the following information, namely:—

- (a) sanctioned plans, layout plans, along with specifications, approved by the competent authority, by display at the site or such other place as may be specified by the regulations made by the Authority;
- (b) the stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity.

11(4) The promoter shall—

- (a) be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be:

Provided that the responsibility of the promoter, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue even after the conveyance deed of all the apartments, plots or buildings, as the case may be, to the allottees are executed.

- (b) be responsible to obtain the completion certificate or the occupancy certificate, or both, as

applicable, from the relevant competent authority as per local laws or other laws for the time being in force and to make it available to the allottees individually or to the association of allottees, as the case may be;

- (c) be responsible to obtain the lease certificate, where the real estate project is developed on a leasehold land, specifying the period of lease, and certifying that all dues and charges in regard to the leasehold land has been paid, and to make the lease certificate available to the association of allottees;
- (d) be responsible for providing and maintaining the essential services, on reasonable charges, till the taking over of the maintenance of the project by the association of the allottees;
- (e) enable the formation of an association or society or co-operative society, as the case may be, of the allottees, or a federation of the same, under the laws applicable:

Provided that in the absence of local laws, the association of allottees, by whatever name called, shall be formed within a period of three months of the majority of allottees having booked their plot or apartment or building, as the case may be, in the project;

- (f) execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees or competent authority, as the case may be, as provided under section 17 of this Act;
- (g) pay all outgoings until he transfers the physical possession of the real estate project to the allottee or the associations of allottees, as the case may be, which he has collected from the allottees, for the payment of outgoings (including land cost, ground rent, municipal or other local taxes, charges for water or electricity, maintenance charges, including mortgage loan and interest on mortgages or other encumbrances and such other liabilities payable to competent authorities, banks and financial institutions, which are related to the project):

Provided that where any promoter fails to pay all or any of the outgoings collected by him from the allottees or any liability, mortgage loan and interest thereon before transferring the real estate project to such allottees, or the association of the allottees, as the case may be, the promoter shall continue to be liable, even after the transfer of the property, to pay such outgoings and penal charges, if any, to the authority or person to whom they are payable and be liable for the cost of any legal proceedings which may be taken therefor by such authority or person;

- (h) after he executes an agreement for sale for any apartment, plot or building, as the case may be, not mortgage or create a charge on such apartment, plot or building, as the case may be, and if any such mortgage or charge is made or created then notwithstanding anything contained in any other law for the time being in force, it shall not affect the right and interest of the allottee who has taken or agreed to take such apartment, plot or building, as the case may be;"

The promoter shall be responsible for be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations including:

- Completion of all obligations as listed in Agreement of Sale or Allotment Letter or as per Act, Rules and Regulations till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be.
- Obtaining Occupancy Certificate from the relevant competent authority
- Obtaining the lease certificate, where the real estate project is developed on a leasehold land, specifying the period of lease, and certifying that all dues and charges in regard to the leasehold land has been paid

- pay all outgoings until transfer of physical possession of the real estate project to the allottee or the associations of allottees
- other obligations as defined in agreement of sale or allotment letter

(iv) Formation of Association of Allottees

Promoter is responsible for formation of Association of Allottees within 3 months of the majority of allottees having booked their plot or apartment or building. This is an important responsibility empowering association of allottees to work with promoter in completion of project.

(v) Conveyance of Common Areas

Promoter is responsible for conveyance of all common areas in favour of association of allottees or competent authority

Promoter is responsible for executing a registered conveyance deed in favour of the allottees along with the undivided proportionate title in the common area to the association of the allottees or the competent authority as the case may be, within 30 days from the date of issuance of occupancy certificate.

As per Rule 9 (2) (ii) of the MAHARERA Rules, 2017, if no period for conveying the title of the Promoter to the legal entity of the allottees is agreed upon, the promoter shall execute the conveyance within three months from the date of issue of occupancy certificate or 50% of the total number of allottees in such a building or a wing, have paid the full consideration to the promoter, whichever is earlier.

(vi) Cancellation of Allotment

Promoter can cancel allotment to an allottee only as per agreement of sale. Allottee shall have the right to approach authority in case of grievance.

- (vii) Not more than 10% deposit or advance to be taken by promoter without first entering into agreement for sale.

As per Section 13 of the Act:

"13. (1) A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.

(2) The agreement for sale referred to in sub-section (1) shall be in such form as may be prescribed and shall specify the particulars of development of the project including the construction of building and apartments, along with specifications and internal development works and external development works, the dates and the manner by which payments towards the cost of the apartment, plot or building, as the case may be, are to be made by the allottees and the date on which the possession of the apartment, plot or building is to be handed over, the rates of interest payable by the promoter to the allottee and the allottee to the promoter in case of default, and such other particulars, as may be prescribed."

Promoter shall not accept more than 10% of the cost of the Apartment from the Allottees as and by way of advance /application fee without executing and registering the agreement for sale.

The Agreement for Sale shall be in a form and manner prescribed by MahaRERA in the Rules.

(viii) Adherence to Plans

As per Section 14(1) and 14(2) of the Act:

"14. (1) The proposed project shall be developed and completed by the promoter in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities.

- (2) Notwithstanding anything contained in any law, contract or agreement, after the sanctioned plans, layout plans and specifications and the nature of the fixtures, fittings, amenities and common areas, of the apartment, plot or building, as the case may be, as approved by the competent authority, are disclosed or furnished to the person who agree to take one or more of the said apartment, plot or building, as the case may be, the promoter shall not make—
- (i) any additions and alterations in the sanctioned plans, layout plans and specifications and the nature of fixtures, fittings and amenities described therein in respect of the apartment, plot or building, as the case may be, which are agreed to be taken, without the previous consent of that person:

Provided that the promoter may make such minor additions or alterations as may be required by the allottee, or such minor changes or alterations as may be necessary due to architectural and structural reasons duly recommended and verified by an authorised Architect or Engineer after proper declaration and intimation to the allottee.

Explanation.—For the purpose of this clause, “minor additions or alterations” excludes structural change including an addition to the area or change in height, or the removal of part of a building, or any change to the structure, such as the construction or removal or cutting into of any wall or a part of a wall, partition, column, beam, joist, floor including a mezzanine floor or other support, or a change to or closing of any required means of access ingress or egress or a change to the fixtures or equipment, etc.

- (ii) any other alterations or additions in the sanctioned plans, layout plans and specifications of the buildings or the common areas within the project without the previous written consent of at least two-thirds of the allottees, other than the promoter, who have agreed to take apartments in such building.

Explanation.—For the purpose of this clause, the allottees, irrespective of the number of apartments or plots, as the case may be, booked by him or booked in the name of his family, or in the case of other persons such as companies or firms or any association of individuals, etc., by whatever name called, booked in its name or booked in the name of its associated entities or related enterprises, shall be considered as one allottee only.”

Promoter shall not make any additions and/or alterations in the sanctioned plans, layout plans and specifications in an apartment, without obtaining the previous consent of the Allottee concerned.

Further, Promoter shall not make any major additions and/or alterations in the sanctioned plans, layout plans and specifications of the buildings or the common areas without previous sanction of at least 2/3rd of the allottees (other than the promoter);

- (ix) Defect Liability Period of five years sec 14

As per Section 14(3) of the Act:

“14 (3) In case any structural defect or any other defect in workmanship, quality or provision of services or any other obligations of the promoter as per the agreement for sale relating to such development is brought to the notice of the promoter within a period of five years by the allottee from the date of handing over possession, it shall be the duty of the promoter to rectify such defects without further charge, within thirty days, and in the event of promoter's failure to rectify such defects within such time, the aggrieved allottees shall be entitled to receive appropriate compensation in the manner as provided under this Act.”

Defect liability period shall be 5 (five) years from handing over possession of the apartments to allottees.

In case any structural defect or any other defect in workmanship, quality or provision of services or any other obligations, within a period of five years, the promoter would have to rectify such defects without further charge, within thirty days of complaint by allottee.

- (x) Assignment / Transfer of Project

As per Section 15 of the Act, Promoter shall not transfer or assign his majority rights and liabilities in a project without prior written consent of 2/3rd allottees and the Authority

Any transfer / assignment does not result in extension of time and the incoming promoter shall be required to comply with all the pending obligations of the erstwhile promoter, and in case of default, such incoming promoter shall be liable to the consequences of breach or delay,

(xi) Interest for delayed possession

As per Section 18(1) of the Act:

"18. (1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act;

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed."

In case of delay in completion of project, allottee shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.

In case Allottee doesn't want to continue due to delayed possession, the promoter shall refund the amounts invested by the allottee along with interest as prescribed.



7. Allottees and their responsibilities



For any query or problem, the allottees will first contact the real estate agent through whom they have booked or purchased the apartment. The agent may be required to intervene, guide the allottee and help him in seeking remedy or in dispute resolution. Hence, Real Estate Agent should be equipped with knowledge on rights and duties of allottees

According to the Real Estate (Regulation and Development) Act 2016, an Allottee is a person to whom, a plot, an apartment or a building has been allotted, sold or transferred by the promoter. In common words we term them as Home buyer or purchaser. It also includes person who subsequently acquires the said allotment through sale, transfer or otherwise. But the definition of "Allottee" does not include a person to whom land or apartment is give on rental basis.

The Act provides for various Rights and Duties of the allottees in Section 19, which are detailed in following sections.

7.1. Rights of Allottees

The various rights and duties of allottees are provided below:

(i) Access To Information

"19 (1) The allottee shall be entitled to obtain the information relating to sanctioned plans, layout plans along with the specifications, approved by the competent authority and such other information as provided in this Act or the rules and regulations made thereunder or the agreement for sale signed with the promoter.

(2) The allottee shall be entitled to know stage-wise time schedule of completion of the project, including the provisions for water, sanitation, electricity and other amenities and services as agreed to between the promoter and the allottee in accordance with the terms and conditions of the agreement for sale."

Allottees are entitled to obtain information on project including the following

- Information regarding sanctioned plans, layout plans along with specifications approved by the competent authorities,
- Information regarding stage wise completion of project including provisions of water, sanitation, and electricity and other amenities and services according to the clauses of Agreement of Sale.

MahaRERA provides all information made available by promoter online, ensuring online access by allottees.

(ii) **Entitled to Occupancy / Completion Certificate**

Promoter is responsible to acquire Completion / Occupancy Certificate from competent authority and make available the same to the allottees

(iii) **Entitled to Remedy by Approaching Rera against Wrongful Cancellation of Allotment:** The cancellation by the promoter can be said to be wrongful only if all these conditions are satisfied

- a. It is not in accordance with the Agreement of Sale
- b. If is unilateral i.e. it not a cancellation by mutual agreement of parties
- c. It is without sufficient cause.

The allottees may approach the authority for getting remedy against wrongful cancellation of agreement by promoters.

(iv) **Entitled to Claim Compensation & Interest**

"19 (4) The allottee shall be entitled to claim the refund of amount paid along with interest at such rate as may be prescribed and compensation in the manner as provided under this Act, from the promoter, if the promoter fails to comply or is unable to give possession of the apartment, plot or building, as the case may be, in accordance with the terms of agreement for sale or due to discontinuance of his business as a developer on account of suspension or revocation of his registration under the provisions of this Act or the rules or regulations made thereunder."

The allottees are entitled to get back their amount invested, along with interest and compensation if promoters are not giving possession as per schedule or in accordance with the Agreement of Sale or if promoters have breached any terms and conditions of the Agreement of Sale. The interest shall be payable at prescribed rate and the compensation will be calculated according to the provisions of Section 19(4) of the Act.

In case of failure by the promoter, to hand over the physical possession according to the terms of Agreement of Sale and the allottee intends to continue in the project, then the promoter is liable to pay allottee monthly interest at such rate as may be prescribed by the RERA.

(v) **Entitled To Claim Compensation for Loss Caused By Defective Title**

If a project has been developed on a land for which promoter has defective title then any loss caused to the allottees, will be compensated by the promoter and claim of such compensation will not be barred by law of limitation.

(vi) **Entitled To Execution of Registered Conveyance Deed**

The allottee shall be entitled to claim the possession of apartment, plot or building, as the case may be, and the association of allottees shall be entitled to claim the possession of the common areas.

7.2. Obligations of Allottees

Under the Act, Allottees also have some obligations which they have implement. These include:

"19 (6) Every allottee, who has entered into an agreement for sale to take an apartment, plot or building as the case may be, under section 13, shall be responsible to make necessary payments in the manner and within the time as specified in the said agreement for sale and shall pay at the proper time and place, the share of the registration charges, municipal taxes, water and electricity charges, maintenance charges, ground rent, and other charges, if any"

Allottees are responsible to make necessary payments as per the schedule in the agreement for sale on timely basis.

Allottees are also responsible to pay their share of the registration charges, municipal taxes, water and

electricity charges, maintenance charges, ground rent, and other charges.

"19 (7) The allottee shall be liable to pay interest, at such rate as may be prescribed, for any delay in payment towards any amount or charges to be paid under sub-section (6)." **Sbi highest MCLR plus 2%**

Incase of delay in payment by allottee, they are liable to pay interest for delay at such rate as maybe prescribed.

"19 (9) Every allottee of the apartment, plot or building as the case may be, shall participate towards the formation of an association or society or cooperative society of the allottees, or a federation of the same."

Every allottee shall participate towards formation of Association of Allottees

"19 (10) Every allottee shall take physical possession of the apartment, plot or building as the case may be, within a period of two months of the occupancy certificate issued for the said apartment, plot or building, as the case may be"

Every allottee shall be responsible to take physical possession take physical possession of the apartment, plot or building within a period of two months of the occupancy certificate

- "19(11) Every allottee shall participate towards registration of the conveyance deed of the apartment, plot or building, as the case may be, as provided under sub-section (1) of section 17 of this Act."

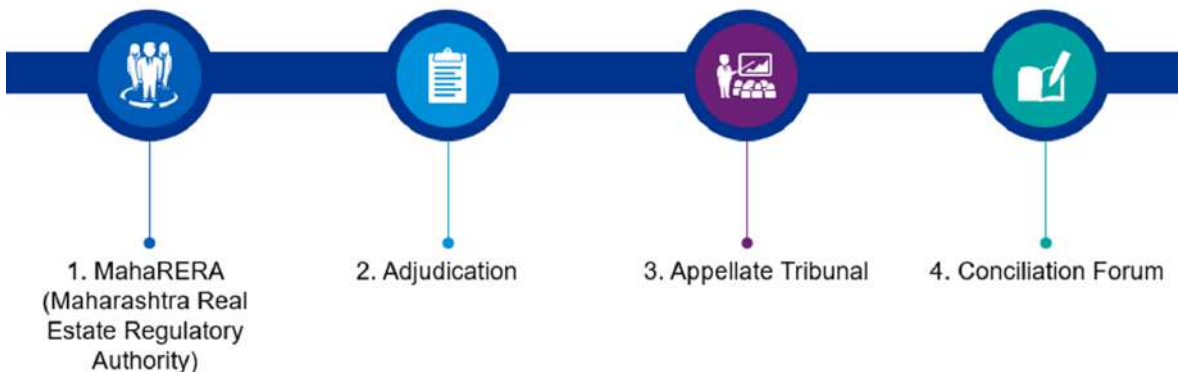
Every allottee shall participate towards registration of the conveyance deed

- Every Allottee has to follow the provisions of Act, Rules and Regulations made thereunder including orders of Authority.

7.3. Dispute Resolution

One of the key objectives of the act is to ensure speedy dispute resolution. Therefore, MahaRERA provides four forums for dispute resolution namely complaints, adjudication, conciliation and appeals. The details of these forums are explained in following sections.

Forums for Dispute Resolution



7.3.1. Complaints

As per 31(1) of the Act, any aggrieved person may file a complaint with the Authority for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter allottee or real estate agent.

“31. (1) Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter allottee or real estate agent, as the case may be.

Explanation.—For the purpose of this sub-section “person” shall include the association of allottees or any voluntary consumer association registered under any law for the time being in force.”

MahaRERA accepts complaints against MahaRERA Registered projects only.

The aggrieved person can file complaints online. The fees for filing a complaint is Rs. 5000. The mode of payment is NEFT or RTGS System or any other digital transaction mode.

Any interested party including Allottee, Promoter and Real Estate Agents can file complaints.

The aggrieved person can file an application online as per format provided by MahaRERA. It shall include the following details:

- Registration number of the project to which the complaint pertains
- Particulars of the complainant and respondent
- Facts of the case
- Relief Sought
- List of Enclosures and so on

Complainant can appear and plead his/her/its case in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers (hereinafter referred to as “the authorized representatives”) to present his/her/their case before the Authority or the Adjudicating Officer, as the case may be.



On receipt of an appeal, the Appellate Tribunal may after giving the parties an opportunity of being heard, pass such orders, including interim orders, as it thinks fit.

Any person aggrieved by the order of Appellate Tribunal can file an appeal to High Court.

7.4. Penal Provisions

The Act provides for penal provisions against various stakeholders including promoter, agents and allottees for non-compliance of provisions of the Act.

7.4.1. Penal Provisions for Promoters

The Act Provides for five main types of penal provisions against promoter, under Section 59, 60, 61, 63 and 64, as follows:

- (i) **Punishment for non-registration of Real Estate Project:** If any promoter doesn't register the project and indulges in marketing or advertisement or sale of project then he shall be liable to a penalty upto ten per cent. of the cost of the real estate project

If it continues to violate the provisions and doesn't comply with the orders of authority in this matter then he shall be punishable with imprisonment for a term which may extend up to three years or with fine which may extend up to a further ten per cent. of the cost of the real estate project, or with both.

- (ii) **Penalty for false information in registration application:** If any promoter provides false information during registration application, he shall be liable to a penalty which may extend up to five per cent of the estimated cost of the real estate project.

- (iii) **Penalty for contravention of the provisions of the Act:** If any promoter contravenes any other provisions of this Act or the rules or regulations made thereunder, he shall be liable to a penalty which may extend up to five per cent of the estimated cost of the real estate project.

- (iv) **Penalty for failure to comply with orders of Authority by promoter:** If any promoter fails to comply with, or contravenes any of the orders or directions of the Authority, he shall be liable to a penalty for every day during which such default continues, which may cumulatively extend up to five per cent of the estimated cost of the real estate project.

- (v) **Penalty for failure to comply with orders of Appellate Tribunal by promoter** If any promoter fails to comply with, or contravenes any of the orders, decisions or directions of the Appellate Tribunal, he shall be punishable with imprisonment for a term which may extend up to three years or with fine for every day during which such default continues, which may cumulatively extend up to ten per cent. of the estimated cost of the real estate project, or with both.

7.4.2. Penal Provisions for Real Estate Agents

The Act Provides for three main types of penal provisions against Real Estate Agents, under Section 62, 65 and 66, as follows:

- (i) **Punishment for non-registration & Contravention of provisions of Act:** If any real estate agent fails to register or comply with or contravenes the provisions of Act, he shall be liable to a penalty of ten thousand rupees for every day during which such default continues, which may cumulatively extend up to five per cent of the cost of plot, apartment or buildings, for which the sale or purchase has been facilitated.

- (ii) **Penalty for failure to comply with orders of Authority by agent:** If any agent fails to comply with, or contravenes any of the orders or directions of the Authority, he shall be liable to a penalty for every day during which such default continues, which may cumulatively extend up to five per cent of the estimated cost of the cost of plot, apartment or buildings, for which the sale or purchase has been facilitated.

- (iii) **Penalty for failure to comply with orders of Appellate Tribunal by agent:** If any agent fails to comply with, or contravenes any of the orders, decisions or directions of the Appellate Tribunal,

he shall be punishable with imprisonment for a term which may extend up to one year or with fine for every day during which such default continues, which may cumulatively extend up to ten per cent. of the estimated cost of plot, apartment or building for which the sale or purchase has been facilitated.

7.4.3. Penal Provisions for Allottees

The Act Provides for two main types of penal provisions against Allottees, under Section 67 and 68, as follows:

- (i) **Penalty for failure to comply with orders of Authority by allottee:** If any allottee fails to comply with, or contravenes any of the orders, decisions or directions of the Authority he shall be liable to a penalty for the period during which such default continues, which may cumulatively extend up to five per cent. of the plot, apartment or building cost.
- (ii) **Penalty for failure to comply with orders of Appellate Tribunal by allottee:** If any allottee, fails to comply with, or contravenes any of the orders or directions of the Appellate Tribunal, as the case may be, he shall be punishable with imprisonment for a term which may extend up to one year or with fine for every day during which such default continues, which may cumulatively extend up to ten per cent. of the plot, apartment or building cost.

7.4.4. Offence by Companies

As per Section 69 of the Act, if an Offence under this Act has been committed by a company, every person who, at the time, the offence was committed was in charge of, or was responsible to the company for the conduct of, the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

If an offence under this Act has been committed by a company, and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager,

secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

8. Due Diligence before Facilitating Sale of Property



One of the key objectives of MahaRERA is to empower real estate agents and homebuyers with information regarding real estate projects to ensure informed decision making. This chapter details some of the important aspects of the project which Real Estate Agent should scrutinize before facilitating sale of any project. All this information is available on the MahaRERA website and can be viewed on it.

Steps to be followed before booking of Flat

8.1. Verify Promoter Identity and Project Details on MahaRERA Website

MahaRERA mandates that all marketing collaterals of project should carry MahaRERA Project Registration number.

Before facilitating any sale, agent should verify the MahaRERA project Registration number provided by the promoter against the details on the MahaRERA web portal.

It should ascertain the identity of the promoter and ensure that all information being provided to the allottee are as per those uploaded on the portal.

Promoter should ensure that all common areas and facilities promised by the promoter are as per details on MahaRERA portal.

8.2. Title of Property

Title is a legal term; it means the ownership right to property. Title is the evidence of the right of ownership or the ground of right of ownership.

Clear title to a property is one of the most important factors to be considered before purchase. Homebuyer should undertake due diligence, to ascertain the existence of the title with the promoter, the nature of the title and its marketability and the ability of the promoter to convey clear and marketable title, free from encumbrance.

MahaRERA has prescribed a format for Legal Title Report which is prepared on basis of following documents:

- Description of the property.
- The documents of allotment of plot.
- 7 /12 extract or Property card issued by competent authority
- Search report for 30 years and so on

The legal title report on MahaRERA website provided by promoter details on whether the title clear, marketable and without any encumbrances. In case there are encumbrances, the same are listed in the title report.

Therefore, an allottee must review the title report before entering into a transaction.

8.3. Building Approvals and Commencement Certificate

There are multiple approvals required for development of Real Estate Project. Some of the approvals include:

- Conversion and Land – Use Permissions: With increasing urbanisation and merging of revenue lands with urban conglomerates, conversion of property for non-agricultural use assumes crucial significance. In such cases, developer needs to get approval from concerned authority to convert agricultural land to non-agricultural (NA) purpose.

Secondly, the buyer must examine the Master Plan and satisfy that the property is developed in accordance with the zoning plan – such as residential, commercial, industrial, public/semi-public, parks and open spaces, etc. Where actual use is different from the notified zoning, obtaining orders from the Town Planning Authority permitting change of land use, is mandatory.

- Layout Approval: The promoter has to get approval of layout plan from concerned authorities. The layout plan provides general blueprint of land development including number of buildings, various facilities, open area, parks etc on the project land.

- Intimation of Disapproval (IOD) is basically building permit approving the proposed building plan subject to some conditions like obtaining a list of “no-objection certificates” (NOCs) from various departments and government authorities. Final clearance to build (Commencement Certificate) will only be given once the promoter obtains all NOCs and meets all IOD conditions. Major NOCs/IOD conditions are listed below:

- a) Non-Agriculture (NA) permission
- b) Tree Authority
- c) Storm Water and Drain Department
- d) Sewerage Department
- e) Hydraulic Department
- f) Environmental Department (concerned with debris management)
- g) Consent to Establish & Operate
- h) Ancient Monument Approval
- i) Airports Authority of India
- j) Traffic and Coordination Department
- k) CFO (fire clearance)
- l) Structural Plan Approval etc



- Commencement Certificate: Commencement Certificate in layman terms, is the permission to start construction. A promoter cannot lay the foundation stone or start any construction without commencement certificate.

Further, MahaRERA registration is not provided without Commencement Certificate.

Commencement certificates may be obtained in stages including the Commencement Certificate up to a Plinth /Zero FSI / or commencement certificate upto a particular floor level.

Homebuyer should be aware, if the commencement certificate for construction upto the floor, where the proposed apartment is situated, is with the promoter or not.

MahaRERA as prescribed Declaration "Format -D" which the promoter is required to upload while Registering the project, alongside the Commencement certificate.

Further, the promoter is required to update it as soon as further Commencement certificate / Approvals are obtained by him, at every later stage

- Occupancy Certificate: After completion of construction, Occupancy Certificate is mandatory ensuring that the developer has constructed the building as per approved plan.

An allottee should review all the approvals obtained by the promoter (these are available on MahaRERA website), before making informed choices.

8.4. Status of Tax Payments

Non-payment of property taxes constitute a charge on the property, affecting its marketability. So, the homebuyer must verify that the promoter has not defaulted on payment of property taxes. Do ask for the receipts of all utility bills from the promoter.

8.5. Litigations against the Project

On the MahaRERA website, the promoter provides list of all litigations (if any), against the project, the same should be reviewed before making a decision to buy an apartment

8.6. Allotment Letter and Model Form of Agreement

The Allottee should also ensure that the allotment letter / Agreement of Sale are as per proforma of Allotment Letter and Agreement of sale provided in the MahaRERA website.

8.7. MahaRERA Carpet Area

Prior to RERA, there was no industry wide standard definition for calculation of apartment area. Now, RERA provides a standard formula to calculate carpet area.

It is now mandated the developers sell their apartments based upon the MahaRERA carpet area.

According to the Act, Carpet Area means net usable floor area of an apartment, excluding the area covered by the external walls, area under services shaft, exclusive balcony or verandah area and exclusive open terrace area, but including the area covered by internal partition walls of the apartment.

This standardisation of the carpet area definition ensures that homebuyers buyers are not misled. Pre-RERA the loading factor was high; therefore, the saleable area was inflated. The effect of this is that the rate per square feet on the saleable area is reduced. Using the above- mentioned standard for carpet area will ensure that there is clarity on the usable area. This also helps in the analysis of cost per square feet. Comparison between the different projects also becomes easier.

Therefore, the allottees must ascertain the carpet area of the apartment under consideration.

All ready-to-move properties across the country are outside GST ambit.

Affordable housing--- 1% 45 lacs below
Non affordable - 5%
Commercial 5% or 12%

Tax Deduction at Source (TDS)

The government amended section 194-IA of Income Tax Act to include all residential society-based charges such as club membership fee, car parking fee, electricity or water facility fee, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of the immovable property, for levy of TDS. Since September 1, 2019, the TDS is levied at one percent, if the value of the property exceeds Rs 50 lakh. **26QB form**

TDS was introduced under a new section, 194 (A) included in the Income Tax Act, 1961 by the Finance Act, 2013. This tax deducts some percentage of amounts during a sale transaction by an individual. As per this section, any individual buying a property has to pay the TDS to the seller by way of consideration for transfer of an immovable property, excluding agricultural land. The TDS must be submitted in the name of the seller of the property.

Registration charge

Registration process includes recording the Sale documents with a registering officer. Registering the documents relating to the transfer, sale or lease of a property is mandatory by law under Section 17 of the Indian Registration Act, 1908. According to the law, if the property documents are not duly registered, the owners will not be able to contend any case in court. The document is the final agreement which is signed between the two parties, subsequent to which the buyer will become the rightful owner of the property. This document protects the buyer in incidence of alleged transactions and fraudulence.

The property registration charges in Maharashtra are 1% of the total cost for the properties priced below Rs 30 lakh and capped at Rs 30,000 for properties priced above Rs 30 lakh.

Stamp duty

The Maharashtra Stamp Act was passed in 1958 and applies to all the instruments mentioned in Schedule 1, on which the stamp duty Maharashtra is payable to the state. It is also known as the Bombay Stamp Act 1958. The Act also details the amount of stamp duty Maharashtra to be paid to the government. The buyer has to pay this amount at a designated bank or collection center before the registration of the property and any delay can attract a penalty. This charge is calculated on the basis of the Ready Reckoner rates issued by the government and unless paid, the property would not receive a legal status. This tax is paid on every transaction including exchange of documents and execution of instruments.

According to the Maharashtra Stamp Act, all instruments chargeable with stamp duty in Mumbai and executed in Maharashtra, should be stamped before or at the time of execution, or on the next working day following the date of execution.

The stamp duty in Maharashtra varies between 5% and 7%, depending on various factors. Women buyers are provided a concession of 1% over the prevailing stamp duty in Maharashtra on property transactions, if the transfer of house property or registration of sale deed, is done in the name of women.

External Development Charges

Cost Sheet Sample and Component details

A cost sheet is a statement which represents the various costs incurred at different stages of business operations, in a tabular format.

MahaRERA Real Estate

Real Estate Agent Handbook
2022

<https://maharera.mahaonline.gov.in>



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