

Andhra Pradesh Real Estate Regulatory Authority

CIRCULAR

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AP RERA – Directions for Maintenance and Operation of Real Estate Project Bank Accounts-Reg.

In exercise of the powers conferred under Section 37 of the Real Estate (Regulation and Development) Act, 2016 and recognizing the necessity to ensure the timely delivery of plots/flats in layouts or apartments while safe guarding project funds from diversion, the Andhra Pradesh Real Estate Regulatory Authority hereby issues the following directions.

1. Short Title and Commencement:

- (i) These Directions shall be known as the "**AP RERA Directions for Maintenance and Operation of RERA Designated Bank Accounts of Registered Projects, 2025**".
- (ii) The Objectives of these directions are to establish a robust mechanism for the operation and maintenance of separate bank account for AP RERA registered projects.
 - (a) To protect the interests of consumers by ensuring compliance, transparency, accountability and financial discipline and trust
 - (b) To standardize the legitimate utilization of funds deposited in the designated RERA bank accounts.
- (iii) AP RERA introduces the system of maintaining three distinct bank accounts for each registered real estate project.
- (iv) These directions apply to projects registered on or after the effective date.

Definitions:

- (i) "**Act**" means the Real Estate (Regulation and Development) Act, 2016.
- (ii) "**Authority**" means Andhra Pradesh Real Estate Regulatory Authority established under sub-section (1) of section 20 of the Act.
- (iii) "**No Lien Account**" means Bank Account without any third-party rights or security interests.
- (iv) "**No Lien Fixed Deposit**" means Fixed Deposit without any third-party rights or security interests.
- (v) "**RERA Collection Bank Account**" means an account maintained by the promoter to receive 100% of the collections from the allottees, as stipulated in the agreement for sale including parking, amenity and any other charges excluding all other taxes and statutory duties.
- (vi) "**RERA Separate Bank Account**" means the account where 70% of the amount received

from the "**RERA Collection Bank Account**" are deposited and utilised solely for construction and the land cost as prescribed in the Rule 5 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017.

(vii) "**RERA Transaction Bank Account**" means the account used to transfer the remaining 30% of the "**RERA Collection Bank Account**" for operational and tax related expenses.

(viii) "**Promoter**" has the same meaning as defined in Section 2(zk) of the Act, including all entities declared as promoters in the project registration.

(ix) Provided further that for a registered project which has multiple promoters, one of the promoters under necessary contractual or legal arrangement or joint declaration shall be responsible for registering the project under AP RERA and shall also be responsible for updating all the data as prescribed in the Act, Rules and Regulations. For the purpose of convenience, such promoter who is responsible for registering project and all other compliances shall be called "**Designated Promoter**" for the purpose of this circular.

(x) "**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;

(xi) Terms not defined herein shall have the meanings assigned to them in the Act and Rules.

3. Opening of RERA Project Bank Accounts:

(i) The Promoter shall open the following three bank accounts in a single scheduled bank branch operating within Andhra Pradesh before applying for the project registration,

A. RERA Collection Bank Account of the Project

B. RERA Separate Bank Account of the Project

C. RERA Transaction Bank Account of the project

(ii) The promoter is obligated to furnish the details of project bank accounts at the time of project registration.

(iii) In the case of multiple promoters, necessary contractual or legal arrangements should be made by the principal promoter, who is registering the project, to ensure proper operation of RERA Account. (This will apply in the case of Joint Development Agreement).

(iv) However, in case of promoter(s) having joint rights on project land applying under the category of "others", joint RERA Bank account with the name of all the promoter(s) or in the name of person having registered power of attorney from all the joint right holders of project land, for the purpose of operation of RERA bank account needs to be opened and to be reported to the Andhra Pradesh Real Estate Regulatory Authority.

4. Nomenclature, Maintenance and Operation of three bank accounts mentioned in the clause herein above:

A) RERA Collection Bank Account of the Project:

(i) The Promoter shall open and maintain the "RERA Collection Bank Account of the Project "in a schedule bank branch operating in the State of Andhra Pradesh.

Nomenclature: Name of the collection bank account shall contain name of the promoter and name of the project prescribed in the following manner:

"Name of Promoter" + **RERA Collection** Bank Account for + "Project Name"

Example:-

Name of Promoter "ABC Ltd.", Name of Project- "XYZ"

Account name "ABC Ltd. RERA Collection Bank Account for XYZ"

(ii) The entire amount accepted from the allottees should be deposited in this account excluding indirect taxes (GST, taxes, stamp duty registration charges etc) and Pass-Through Charges (if any).

(iii) The bank where the RERA Collection Bank Account of the Project is opened shall ensure that no debits or withdrawals are permitted by means of cheque, debit card, credit card, internet banking facility, or any other payment methods (e.g., Demand Draft (DD), on line transfer etc.) or any means of instruments, except through an auto sweep facility transferring a minimum of seventy (70%) percent of the amount collected from allottees to the RERA Separate Bank Account of the Project and a maximum of thirty (30%) percent of the collected amount to the RERA Transaction Bank Account of the project.

(iv) The Promoter shall furnish/publish particulars of the RERA Collection Bank Account of the project in the Allotment letter and agreement for sale with the prospective homebuyers for the purpose of receiving payments towards their unit in the registered project.

B) RERA Separate Bank Account of the project:

(i) There shall be only one "**Separate Bank Account**" for each real estate project and the promoter shall open and maintain RERA Separate Bank Account of the project in the same bank for each registered project separately wherein seventy percent of the amount received in RERA Collection Bank Account of the project from the allottees shall be transferred through auto sweep facility.

Nomenclature: Name of the Separate Bank account shall contain name of the promoter and name of the project prescribed in the following manner:

"Name of Promoter (Account holder) RERA Separate Bank Account for "Project Name"

Example:- Name of Promoter - "ABC Ltd.", Name of Project- "XYZ"

Account name- "ABC Ltd. RERA Separate Bank Account for XYZ"

Deposits:

(i) Minimum 70% of the amounts realised for the real estate project by the allottees, from time to time received in RERA Collection Bank Account of the project shall be deposited through auto sweep transfer facility in a RERA Separate Bank Account of the project to cover the cost of construction and the land cost and shall be used for that purpose only.

- (ii) If there are more than one promoter in a project, then any one of them will be authorized for the operation of the separate account. Promoter shall enter into contract or statutory arrangements for this purpose.
- (iii) This account shall be free from all encumbrances and should not be escrow account for any purpose and shall be free from Lien, loans, and third-party control i.e. lender/bank/ financial institution and cannot be attached by any other government authority/body unless any directions given by Andhra Pradesh Real Estate Regulatory Authority.

Withdrawals:

- (i) As per the provisions of section 4(2)(□)(D) of the Act and as prescribed by regulation 3 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017 the amounts from the RERA Collection Bank Account shall be withdrawn by the promoter in proportion to the percentage of completion of project under certification in respective prescribed (available in the AP RERA website) Form 1 (Architect Certificate), Form 2 (Engineer Certificate) and Form 3 (CA Certificate). Such certificates should be uploaded on AP RERA portal for each withdrawal of funds from the RERA Separate Bank Account.
- (ii) The Bank shall every time, get the above prescribed forms submitted by the promoter and only after that, any amount can be transferred from Separate Account of the project to transaction account of the project. If the project does not get completed and the promoter does not receive completion certificate, until then the promoter has to follow the above procedure to withdraw any amount from separate account of the project.
- (iii) The promoter has to comply with provisions of section 11(4)(g) and (h) of RERA, 2016. Where the money deposited in this account can be utilized only for meeting following expenditures incurred on the project: -
 - (a) **Land cost:** As laid down in Rule 5 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017.
 - (b) **Development Cost/Cost of Construction:** As laid down in Rule 5 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017.
 - (c) **Interest for loan:** Any secured/Unsecured loan taken for the project and fund being used for the project development may be serviced from the RERA Separate Bank Account.
However, interest on a loan taken from the partners cannot be served from this account.
 - (d) If according to the contract with the allottees, the promoter collects any amounts in additionto the cost of plot, building, apartment, like maintenance charges, electricity charges, club charges, (any corpus fund) etc., then all such collected amounts shall be deposited in a separate account, and will be responsibility of the promoter to maintain the accounts, so that later it can transfer to the Association of Allottees.
 - (e) **Refunds to the allottees:** Cancellation amount(s), if any, to be paid by the promoter to the allottees on cancellation of booking / allotment of the apartment, should be treated as cost incurred for the project and the same can be withdrawn from the RERA Separate Bank Account, to the maximum extent of 70% of the amount to be paid to the Allottee on cancellation of the booking/allotment.

(f) Any excess money lying in the RERA Separate Bank Account can be converted in fixed deposits with the bank operating all three RERA Designated Bank Accounts. Such Fixed Deposits have to be a no lien Fixed Deposit and no loan can be obtained against or on such Fixed Deposit nor any charge can be created on such Fixed Deposit.

C) RERA Transaction Bank Account of the project:

(i) The promoter shall open and maintain the "RERA Transaction Bank Account of the Project" in a scheduled bank for each registered project separately.

Nomenclature: Name of the transaction bank account shall contain name of the promoter and name of the project formatted in the following manner:

"Name of Promoter (Account holder)" RERA Transaction Bank Account for "Project Name"

Name of Promoter "ABC Ltd.", Name of Project- "XYZ"

Transaction Account name- "ABC Ltd. RERA Transaction Bank Account for XYZ"

Deposits:

(i) Maximum thirty percent (30%) of the amounts realised for the real estate project from the allottees, received in RERA Collection Bank Account of the project shall be deposited in RERA Transaction Bank Account of the project.

(ii) This account can be utilized for meeting expenses other than those directly related to the land cost and construction/development cost of the project, in accordance with the Provisions laid down in the Act and the rules and the regulations made thereunder.

(iii) If under the provision of the Income tax Act, 1961 or under the provisions of any other Act, any taxes have to be deducted at source (TDS) by the bank or Allottee; such deductions shall be made from the remaining 30% of the amount i.e., Transaction account of the project.

Withdrawal:

(i) Minimum thirty percent (30%) of cancellation amount(s), if any, to be paid by the promoter to the allottees on cancellation of booking / allotment of the apartment, will be eligible for payment from the RERA Transaction Bank Account.

Interest/compensation to the allottees paid by the promoter should not be treated as cost incurred for the project and hence such sum required to be paid as interest/ compensation to the Allottee cannot be withdrawn from the RERA Separate Bank Account. Any such amount can be withdrawn from RERA Transaction Bank Account.

(ii) The penalty imposed by AP RERA to be paid by the promoter should not be treated as cost incurred for the project hence cannot be withdrawn from RERA Separate Bank Account. Hence such amount may be withdrawn from the RERA Transaction Bank Account.

5. Reporting to the Authority:

- (i) Promoter shall submit prescribed respective Forms (available in AP RERA website) to Authority for withdrawal of funds and for quarterly return filing compliance.
- (ii) As per the third proviso of Section 4(2)(L)(D) of the Act, the promoter is required to get his accounts audited within six months after the end of every financial year by the statutory auditors of the Promoter's enterprise and shall produce a report on statement of accounts on project fund utilization and withdrawal by Promoter in the Prescribed Form. Such report as per Form prescribed by the Authority shall be submitted for each of the Project registered by the promoter.
- (iii) In case of a fixed deposit being made from the money lying in the RERA Bank Account, the Chartered Accountant shall verify that there is no lien or charge on such fixed deposit. The promoter and/or Chartered Accountant shall obtain the No lien/charge Certificate in respect to such fixed deposit, from the bank once every three months and submit the same as part of quarterly compliance return.
- (iv) The promoter shall append RERA Bank Accounts (Collection, Separate & Transaction Bank Accounts) pass book statement copy certified by Chartered Accountant in the Prescribed Form to upload as part of project quarterly updates (QPR) submission.

6. Changing the bank accounts of the project:

- (i) The Promoter may change the RERA Accounts from one Bank to another Bank **only with prior approval of the Authority.**
- (ii) For RERA Account change request, promoter has to make written application along with necessary documents in the following forms: -
 - a) Application for change in RERA Accounts as per Form 8A annexed to these Directions
 - b) Certificate of account balance from bank with existing RERA Accounts as per Form 8B annexed to these Directions
 - c) Account Statement / copy of passbook of account proposed as new RERA Accounts
- (iii) The fund lying in the RERA Collection Bank Account and RERA Separate Bank Accounts needs to be transferred in total in the respective account i.e. amount lying in the existing RERA Separate Bank Account needs to be transferred in the new RERA Separate Bank Account in total and same applies to RERA Collection bank account if there is any balance in the same.
- (iii) Promoter is also required to submit fund transfer compliance letter as per Form 8C along with Form 8D annexed to these Directions and proof of previous RERA Account closure.

7. Closure of separate bank accounts of the project:

- (i) Upon Project Completion and handing over the project to the society/Association of Allottees as per Section 11(4) of the Act, Promoter shall apply for project closure with all necessary documents as directed by the Authority from time to time.

(ii) On submission of respective documents for project closure, the Authority shall verify the completeness and correctness of the submissions and process/Approve accordingly. The status of Application for Project Closure can verify in APRERA website and the separate bank accounts shall be closed, provided if the authority permitted/Approved the project closure.

8. Obligations of the Banks:

(i) Banks shall be obliged to follow the provisions of opening, operating and closing of all three RERA Designated project bank accounts as per above prescribed Directions.

(ii) Banks shall notify every promoter approaching the branch to open and maintain three bank accounts namely RERA Collection Bank Account of Project, RERA Separate Bank Account of Project and RERA Transaction Bank Account of Project for all registered projects.

(iii) Banks shall follow strictly the nomenclature prescribed in these Directions for the bank accounts.

(iv) The bank where the RERA accounts of the project is opened shall ensure that no debits or withdrawals are permitted by means of cheque, debit card, credit card, internet banking Facility, or any other payment methods (e.g.. Demand Draft (DD), bank guarantees, etc.) or any means of instruments, except through an auto sweep facility to transfer the amount deposited in RERA Collection Bank Account to the RERA Separate bank account and RERA Transaction bank account respectively in 70:30 ratio.

(iv) Banks shall suspend withdrawals/transfers from all the accounts of the project upon lapse of registration. However, the bank account shall remain operational only in the event where AP RERA has granted extension to the registration.

(vi) In the eventuality of any orders of the Authority for freezing/de-freezing of any of the project account, the banks shall immediately comply with such orders and shall accordingly freeze/de-freeze the concerned accounts.

9. Obligations of the Professionals:

(i) All the professional issuing Form/certificates under the RERA Act, 2016 and rules made thereunder should ensure that if any Form/certificate issued by the project architect, engineer or the Chartered Accountant has false or incorrect Information and the amounts collected for a particular project have not been utilized for the project and the withdrawal has not been in compliance with the proportion to the percentage of completion of the project.

(ii) The Authority, in addition to taking penal actions as contemplated in the Act and the Rules, may also take up the matter with the concerned regulatory body of the said professionals of the architect, engineer or Chartered Accountant, for necessary disciplinary action against them, including cancellation/suspension of registration of membership for practice as such.

10. Obligations of the Allottees:

(i) The allottees or prospective allottees for RERA registered projects should make all the payments, except Pass through charges and Indirect taxes, towards RERA Collection Bank Account of the particular project only.

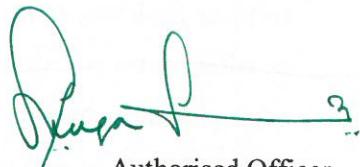
11. Power of the Authority:

- (i) On lapse of the registration of the project or revocation of the registration the Authority may direct the bank holding the RERA Account to freeze or de-freeze the said account, to facilitate the remaining development works in accordance with the provisions of section 7(4)(c) and section 8 of the Act.
- (v) The Authority may in the interest of the allottees, inquire into the payment of amounts out of RERA Separate Bank Account as per the provisions contained in sub-rule 4 of Rule 25 of the Andhra Pradesh Real Estate (Regulation and Development) Rules, 2017.

12. Penalties for Non-Compliance:

- (i) Non-compliance of these directions in any manner will be punishable under section 60 and 63 of the RERA Act, 2016.

(By Order of Authority)



Authorised Officer

APRERA.

FORM 8A

Application for Change in RERA Bank Account

To,

Andhra Pradesh Real Estate Regulatory Authority,

Sub: Application for change in RERA bank accounts

Ref: Project Name: _____, Promoter Name: _____,
Project Registration No. _____

Dear Sir,

With reference to the above-mentioned subject. I/We would like to apply for the Authority's approval for change in the RERA Account as per the following details:

Current RERA Account	
Bank Name	
Branch Name	
IFSC Code	
A/c No. of RERA Collection Bank Account (100%)	
A/c No. of RERA Separate Bank Account (70%)	

Proposed RERA Account	
Bank Name	
Branch Name	
IFSC Code	
A/c No. of RERA Collection Bank Account (100%)	
A/c No. of RERA Separate Bank Account (70%)	

I/We solemnly affirm and declare that the particulars given in herein are correct to my/ our knowledge and belief.

I/ We further undertake that I shall freeze all transactions from the said account until RERA conveys its decision on the RERA bank account change application.

Dated:

Place:

Yours faithfully,

Name, Signature and Seal of the Promoter/ Authorized Signatory

FORM 8B

Certificate of Account Balance from Bank with existing RERA Bank Account

To,

Andhra Pradesh Real Estate Regulatory Authority,

Sub: Details of Existing RERA Accounts

Ref: Project Name: _____, Promoter Name: _____,
Project Registration No. _____

Dear Sir,

This is to certify that _____(Name of the Promoter) has RERA Account Operational with our bank as per the following details:

Bank Name	
Branch Name	
IFSC Code	
A/c No. of RERA Collection Bank Account (100%)	
Account Holder Name (100%)	
A/c No. of RERA Separate Bank Account (70%)	
Account Holder Name (70%)	
Type of Account	
Closing Balance of RERA Collection Bank Account (As on Dt / /) in Amount Rs.	
Closing Balance of RERA Separate Bank Account (As on Dt / /) in Amount Rs	

I/We solemnly affirm and declare that the particulars given in herein are correct to my/ our knowledge and belief.

Dated:

Place:

Yours faithfully,

Name, Signature and Seal of the Bank/ Authorized Signatory

FORM 8C

Confirmation Letter of change in RERA Account

To,

Andhra Pradesh Real Estate Regulatory Authority,

Sub: Confirmation of change in RERA Accounts

Ref: Project Name: _____, Promoter Name: _____,
Project Registration No. _____ with reference my/our application for
change in RERA Account vide letter dated _____ and as per the terms and conditions
mentioned in the in-principal approval received from the Authority vide letter/email
dated _____. I/We confirm that the RERA Bank Account has been changed and an amount of
Rs. _____ (In Words:_____) has been transferred to the new RERA Collection Bank
Account and Rs. _____ (In Words:_____) has been transferred to the new RERA
Separate Bank Account.

I/We undertake that I/We shall operate the RERA Account in compliance with RERA Act, Rules and
Regulations made thereunder.

Previous RERA Account	
Bank Name	
Branch Name	
IFSC Code	
A/c No. of RERA Collection Bank Account (100%)	
A/c No. of RERA Separate Bank Account (70%)	

New RERA Account	
Bank Name	
Branch Name	
IFSC Code	
A/c No. of RERA Collection Bank Account (100%)	
A/c No. of RERA Separate Bank Account (70%)	

I/We solemnly affirm and declare that the particulars given in herein are correct to my/ our knowledge and belief.

Dated:

Place:

Yours faithfully,

Name, Signature and Seal of the Promoter/ Authorized Signatory

FORM 8D

Certificate of Fund Transfer by Bank having new RERA Bank Account

To,

Andhra Pradesh Real Estate Regulatory Authority,

Sub: Details of RERA Bank Accounts

Ref: Project Name: _____, Promoter Name: _____,
Project Registration No. _____

Dear Sir,

This is to certify that the Promoter _____ has the bank account Operational with our bank as per the following details:

Bank Name	
Branch Name	
IFSC Code	
A/c No. of RERA Collection Bank Account (100%)	
Account Holder Name (100%)	
A/c No. of RERA Separate Bank Account (70%)	
Account Holder Name (70%)	
Type of Account	
Opening Balance of RERA Collection Bank Account (As on Dt / /) in Amount Rs.	
Opening Balance of RERA Separate Bank Account (As on Dt / /) in Amount Rs	

Further, a sum of Rs. _____ (in words: _____) has been credited into the above mentioned RERA Separate Bank Account and a sum of Rs. _____ (in words: _____) has been credited into the above mentioned RERA Collection Bank Account on date: _____

Dated:

Place:

Yours faithfully,

Name, Signature and Seal of the Bank/ Authorized Signatory
