

THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016

(Act 16 of 2016, dt. 26-3-2016)

[As amended by the Jan Vishwas (Amendment of Provisions) Act, 2026
(8 of 2026), dt. 7-4-2026, w.e.f. 7-5-2026 vide SO 2287(E), dt. 7-5-2026]

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 of 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.

Be it enacted by Parliament in the Sixty-seventh year of the Republic of India as follows:—

CHAPTER I PRELIMINARY

1. Short title, extent and commencement

(1) This Act may be called the Real Estate (Regulation and Development) Act, 2016.

(2) It extends to the whole of India¹[xxx].

(3) It shall come into force on such date² as the Central Government may, by notification in the Official Gazette, appoint:

PROVIDED that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

³2. Definitions

In this Act, unless the context otherwise requires,—

(a) “adjudicating officer” means the adjudicating officer appointed under sub-section (1) of section 71;

1 Words “except the State of Jammu and Kashmir” omitted vide Noti. No. SO 3912(E), dt. 30-10-2019. Now this Act is applicable to Union territory of Jammu and Kashmir and the Union territory of Ladakh.

2 • Provisions of sections 2, 20 to 39, 41 to 58, 71 to 78 and 81 to 92 are enforceable 1-5-2016 Vide SO 1544(E), dt. 26-4-2016.

• Provisions of sections 3 to 19, 40, 59 to 70 and 79 to 80 are enforceable w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

3 Enforced w.e.f. 1-5-2016 vide SO 1544(E), dt. 26-4-2016.

- (b) “advertisement” means any document described or issued as advertisement through any medium and includes any notice, circular or other documents or publicity in any form, informing persons about a real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase in any manner such plot, building or apartment or to make advances or deposits for such purposes;
- (c) “agreement for sale” means an agreement entered into between the promoter and the allottee;
- (d) “allottee” in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or others but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;
- (e) “apartment” whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in a building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purposes specified;
- (f) “Appellate Tribunal” means the Real Estate Appellate Tribunal established under section 43;
- (g) “appropriate Government” means in respect of matters relating to,—
 - (i) the Union territory without Legislature, the Central Government;
 - (ii) the Union territory of ¹[Puducherry and Union territory of Jammu and Kashmir], the Union territory Government;
 - (iii) the Union territory of Delhi the Central Ministry of Urban Development;
 - (iv) the State, the State Government;
- (h) “architect” means a person registered as an architect under the provisions of the Architects Act, 1972 (10 of 1972);
- (i) “Authority” means the Real Estate Regulatory Authority established under sub-section (1) of section 20;
- (j) “building” includes any structure or erection or part of a structure or erection which is intended to be used for residential, commercial or for

¹ Substituted by the Jammu and Kashmir Reorganisation (Adaptation of Central Laws) Order, 2020 vide Noti. No. SO 1123(E), dt. 18-3-2020.

the purpose of any business, occupation, profession or trade, or for any other related purposes;

- (k) “carpet area” means the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment.

Explanation : For the purpose of this clause, the expression “exclusive balcony or verandah area” means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and “exclusive open terrace area” means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee;

- (l) “Chairperson” means the Chairperson of the Real Estate Regulatory Authority appointed under section 21;
- (m) “commencement certificate” means the commencement certificate or the building permit or the construction permit, by whatever name called issued by the competent authority to allow or permit the promoter to begin development works on an immovable property, as per the sanctioned plan;
- (n) “common areas” mean—
- (i) the entire land for the real estate project or where the project is developed in phases and registration under this Act is sought for a phase, the entire land for that phase;
 - (ii) the stair cases, lifts, staircase and lift lobbies, fire escapes, and common entrances and exits of buildings;
 - (iii) the common basements, terraces, parks, play areas, open parking areas and common storage spaces;
 - (iv) the premises for the lodging of persons employed for the management of the property including accommodation for watch and ward staffs or for the lodging of community service personnel;
 - (v) installations of central services such as electricity, gas, water and sanitation, air-conditioning and incinerating, system for water conservation and renewable energy;
 - (vi) the water tanks, sumps, motors, fans, compressors, ducts and all apparatus connected with installations for common use;
 - (vii) all community and commercial facilities as provided in the real estate project;
 - (viii) all other portion of the project necessary or convenient for its maintenance, safety, etc. and in common use;
- (o) “company” means a company incorporated and registered under the Companies Act, 2013 (18 of 2013) and includes,—

- (i) a corporation established by or under any Central Act or State Act;
- (ii) a development authority or any public authority established by the Government in this behalf under any law for the time being in force;
- (p) “competent authority” means the local authority or any authority created or established under any law for the time being in force by the appropriate Government which exercises authority over land under its jurisdiction, and has powers to give permission for development of such immovable property;
- (q) “completion certificate” means the completion certificate, or such other certificate, by whatever name called, issued by the competent authority certifying that the real estate project has been developed according to the sanctioned plan, layout plan and specifications, as approved by the competent authority under the local laws;
- (r) “day” means the working day, in the concerned State or Union territory, as the case may be, notified by the appropriate Government from time to time;
- (s) “development” with its grammatical variations and cognate expressions, means carrying out the development of immovable property, engineering or other operations in, on, over or under the land or the making of any material change in any immovable property or land and includes re-development;
- (t) “development works” means the external development works and internal development works on immovable property;
- (u) “engineer” means a person who possesses a bachelor’s degree or equivalent from an institution recognised by the All India Council of Technical Education or any University or any institution recognised under a law or is registered as an engineer under any law for the time being in force;
- (v) “estimated cost of real estate project” means the total cost involved in developing the real estate project and includes the land cost, taxes, cess, development and other charges;
- (w) “external development works” includes roads and road systems landscaping, water supply, sewage and drainage systems, electricity supply transformer, sub-station, solid waste management and disposal or any other work which may have to be executed in the periphery of, or outside, a project for its benefit, as may be provided under the local laws;
- (x) “family” includes husband, wife, minor son and unmarried daughter wholly dependent on a person;
- (y) “garage” means a place within a project having a roof and walls on three sides for parking any vehicle, but does not include an unenclosed or uncovered parking space such as open parking areas;

- (z) “immovable property” includes land, buildings, rights of ways, lights or any other benefit arising out of land and things attached to the earth or permanently fastened to anything which is attached to the earth, but not standing timber, standing crops or grass;
- (za) “interest” means the rates of interest payable by the promoter or the allottee, as the case may be.

Explanation : For the purpose of this clause—

- (i) the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default;
 - (ii) The interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid;
- (zb) “internal development works” means roads, footpaths, water supply, sewers, drains, parks, tree planting, street lighting, provision for community buildings and for treatment and disposal of sewage and sullage water, solid waste management and disposal, water conservation, energy management, fire protection and fire safety requirements, social infrastructure such as educational health and other public amenities or any other work in a project for its benefit, as per sanctioned plans;
 - (zc) “local authority” means the Municipal Corporation or Municipality or Panchayats or any other Local Body constituted under any law for the time being in force for providing municipal services or basic services, as the case may be, in respect of areas under its jurisdiction;
 - (zd) “Member” means the member of the Real Estate Regulatory Authority appointed under section 21 and includes the Chairperson;
 - (ze) “notification” means a notification published in the Official Gazette and the expression “notify” shall be construed accordingly;
 - (zf) “occupancy certificate” means the occupancy certificate, or such other certificate by whatever name called, issued by the competent authority permitting occupation of any building, as provided under local laws, which has provision for civic infrastructure such as water, sanitation and electricity;
 - (zg) “Person” includes,—
 - (i) an individual;
 - (ii) a Hindu undivided family;
 - (iii) a company;

- (iv) a firm under the Indian Partnership Act, 1932 (9 of 1932) or the Limited Liability Partnership Act, 2008 (6 of 2009), as the case may be;
- (v) a competent authority;
- (vi) an association of persons or a body of individuals whether incorporated or not;
- (vii) a co-operative society registered under any law relating to co-operative societies;
- (viii) any such other entity as the appropriate Government may, by notification, specify in this behalf;
- (zh) “planning area” means a planning area or a development area or a local planning area or a regional development plan area, by whatever name called, or any other area specified as such by the appropriate Government or any competent authority and includes any area designated by the appropriate Government or the competent authority to be a planning area for future planned development under the law relating to Town and Country Planning for the time being in force and as revised from time to time;
- (zi) “prescribed” means prescribed by rules made under this Act;
- (zj) “project” means the real estate project as defined in clause (zn);
- (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;

- (zl) "prospectus" means any document described or issued as a prospectus or any notice, circular, or other document offering for sale or any real estate project or inviting any person to make advances or deposits for such purposes;
- (zm) "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 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;
- (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;
- (zo) "regulations" means the regulations made by the Authority under this Act;
- (zp) "rule" means the rules made under this Act by the appropriate Government;
- (zq) "sanctioned plan" means the site plan, building plan, service plan, parking and circulation plan, landscape plan, layout plan, zoning plan and such other plan and includes structural designs, if applicable, permissions such as environment permission and such other

permissions, which are approved by the competent authority prior to start of a real estate project;

- (zr) words and expressions used herein but not defined in this Act and defined in any law for the time being in force or in the municipal laws or such other relevant laws of the appropriate Government shall have the same meanings respectively assigned to them in those laws.

COMMENT

This section contains the definitions of various expressions used in the Act.

CHAPTER II

**REGISTRATION OF REAL ESTATE PROJECT AND REGISTRATION
OF REAL ESTATE AGENTS**

¹3. Prior registration of real estate project with Real Estate Regulatory Authority

(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 metres 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 metres 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

¹ Enforced w.e.f. 15-2017 vide SO 1216(E), dt. 19-4-2017.

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.

COMMENTS

This section relates to the prior registration of real estate project with the Real Estate Regulatory Authority. This section provides that no promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, 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. However, the promoter shall make an application to the Authority for registration of the project that is ongoing on the date of commencement of this Act and for which completion certificate has not been issued. The Authority may, by order, direct the promoter of such project to register with the requisite permission of local authority. This section further provides that (i) no registration of the real estate project shall be required where the area of land proposed to be developed does not exceed 500 sq. meters. However, if the appropriate Government if considers it necessary, it may reduce the threshold below 500 sq. meters or eight apartments, inclusive of all phases, for exemption from registration under this Act, (ii) where the promoter has received completion certificate for a real estate project prior to commencement of this Act, (iii) for the purpose of renovation or repair, etc.

¹4. **Application for registration of real estate projects**

(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 ²[prescribed].

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

- (a) 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;
- (b) 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 pendings details of type of land and payment, 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

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

² Substituted for "specified by the regulations made by the Authority" by the Real Estate (Regulation and Development) Removal of Difficulties Order, 2016, dt. 28-10-2016, w.e.f. 28-10-2016.

- 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 or 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 “scheduled bank” means a bank included in the Second Schedule 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.

COMMENTS

This section relates to application for registration of real estate project. This section provides that every promoter shall make an application to the Authority for registration of the project in such form, manner, within such time and accompanied by such fee as may be specified by the regulations made by the Authority. This section further provides that list of requisite documents, etc. that the promoter is required to enclose alongwith the application for registration.

¹5. **Grant of registration**

(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:

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

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 this 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.

COMMENTS

This section relates to grant of registration. This section provides that the Authority shall within a period of thirty days, (i) grant registration subject to the provision of the 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, (ii) 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 and regulations made thereunder. This section also provides that if the Authority fails to grant the registration or reject the application, as provided within thirty days, the project shall be deemed to have been registered and the Authority shall within seven days of the expiry of the said thirty days, provide a registration number and a Login Id and password to the promoter. The registration granted under this section shall be valid for a period declared by the promoter.

¹6. Extension of registration

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 ²[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.

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

² Substituted for "specified by regulations made by the Authority" by the Real Estate (Regulation and Development) Removal of Difficulties Order, 2016, dt. 28-10-2016, w.e.f. 28-10-2016.

COMMENTS

This section relates to the extension of registration. This section provides that the registration granted may be extended by the Authority on an application made by promoter due to force majeure in such form and on payment of such fee as may be specified by regulations made by the Authority. However, the Authority may, in reasonable circumstances and for reasons to be recorded in writing, extend the registration granted to a project for such time as it considers necessary but not exceeding one year. Application for extension of registration shall not be rejected without giving the applicant an opportunity of being heard. Explanation defines the expression "force majeure" which means a case of war, flood, fire, cyclone, earthquake or any other natural calamity.

¹7. Revocation of registration

(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 practice.

(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.

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

(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.

(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 back account, specified under the sub-clause (D) of clause (1) 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.

COMMENTS

This section relates to the revocation of registration. This section provides that 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 after being satisfied that the promoter has made willful default in doing anything required of him by or under this Act or the rules or regulations made thereunder; has also violated any of the terms and conditions of the approval given by the competent authority and if the promoter is found indulged in any fraudulent practice. This section further provides that the registration granted under section 5 to the promoter shall not be revoked unless the Authority has given to the promoter thirty days' notice in writing stating the grounds on which the registration is proposed to be revoked. The Authority may, instead of revoking the registration, permit the registration to remain in force subject to such further terms and conditions which shall be binding upon the promoter. This section further provides that upon the revocation of the registration, the Authority (i) 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 other Real Estate Regulatory Authorities in other States and U.Ts. regarding such cancellation, (ii) shall facilitate the remaining development works to be carried as per section 8, (iii) shall direct the bank holding the project back account specified under section 4(2)(1)(D), to freeze the account and to take further actions as per section 8, (iv) may issue such directions as it may deem fit to protect the interests of allottees.

¹8. Obligation of authority consequent upon lapse of or on revocation of registration

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

1 Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

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.

COMMENTS

This section relates to the obligation of Authority consequent upon lapse of or on revocation of registration. This section provides that 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 as may be determined by the Authority. However, no direction, decision or order of the Authority under this section shall take effect until the expiry of the period of appeal provided under this Act. 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.

¹9. Registration of real estate agents

(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.

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

(3) The Authority shall, within such period, in such manner and upon satisfying itself of the fulfillment 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;
- (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:

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

(4) Where on 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.

(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

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

number by the Authority, which shall be quoted by the real estate agent in every sale facilitated by him under this Act.

(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.

(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.

COMMENTS

This section relates to the registration of real estate agents. 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, 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 registering with the Authority. Application for registration shall be in such form, manner, within such time and accompanied by such fee and documents as may be prescribed. The Authority shall grant a single registration to the real estate agent for the entire State or U.T. or reject the application if such application does not conform to the provisions of the Act, rules or regulations. However, no application shall be rejected unless the applicant has been given an opportunity of being heard. If on the completion of the period, 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. Every real estate agent who is registered under this Act shall be granted Regn. No. of the authority which is mandatory to be quoted by real estate agent in every sale facilitated by him under this Act. Such registration number shall be valid for such period as may be prescribed. It shall also be renewable in such manner as may be prescribed. If breach of any of the conditions of this Act is committed by a real estate agent who is being granted registration or where Authority is satisfied that the registration has been secured by the real estate agent through misrepresentation or fraud, the Authority may revoke the registration or suspend the same for such period as it thinks fit. However, such revocation or suspension of registration shall not be made by the Authority unless an opportunity of being heard has been given to the real estate agent.

¹10. Functions of real estate agents

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

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

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

COMMENTS

This section relates to the functions of real estate agents. Every real estate agent registered under section 9, (i) shall not facilitate the sale or purchase of any plot, apartment or building 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, (ii) shall maintain and preserve such books of account, records and documents as may be prescribed, (iii) shall not involve himself or herself in any unfair trade practices, (iv) shall facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking any plot, apartment or building and shall discharge such other prescribed functions.

CHAPTER III

FUNCTIONS AND DUTIES OF PROMOTER

¹11. Functions and duties of promoter

(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

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

(f) such other information and documents as may be specified by the regulations made by the Authority.

(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.

(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.

(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.

(5) The promoter may cancel the allotment only in terms of the agreement for sale:

PROVIDED that the allottee may approach the Authority for relief, if he is aggrieved by such cancellation and such cancellation is not in accordance with the terms of the agreement for sale, unilateral and without any sufficient cause.

(6) The promoter shall prepare and maintain all such other details as may be specified, from time to time, by regulations made by the Authority.

COMMENTS

This section provides that the promoter shall, upon receiving his Login Id and password under section 5(1)(a) or under section 5(2), create his web page on the website of the Authority and enter all details of the proposed project. Advertisement or prospectus issued 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. The promoter shall be responsible to make available to the allottee, information such as (i) sanctioned plans, layout plans, alongwith specifications, approved by the competent authority, by display at the site or as specified by the Authority, (ii) the stage wise time schedule of completion of the project including the provisions for civic infrastructure. This section also provides that (i) the promoter shall be responsible for all obligations, responsibilities and functions under the provisions of this Act, rules or regulations made thereunder of allottees as per the agreement for sale or the association of allottees till the conveyance of all the apartments, plots or buildings, to the allottees, or the common areas to the association of allottees or the competent authority. However, the responsibility of the promoter, with respect to the structural for such period as is referred in section 14(3), shall continue even after conveyance deed of all apartments, plots or buildings to the allottees are executed; (ii) shall be responsible to obtain the completion certificate or the occupancy certificate as applicable from the relevant competent authority as per local laws for the time being in force and make it available to the allottees individually, (iii) shall be responsible to obtain the lease certificate, where the real estate project is developed on a leasehold land, specifying the period of lease, etc., and to make the lease certificate available to the association of allottees, (iv) shall 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, (v) shall enable the formation of an association or society or co-op. society of the allottees under the laws. However, in the absence of local laws, the association of allottees shall be formed within a period of three months of the majority of allottees having booked their plot or apartment or building in the project, (vi), shall execute a registered conveyance deed of the apartment, plot or building, (vii) shall pay all outgoings until he transfers the physical possession of the real estate project. However, 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, the promoter shall continue to be liable, even after the transfer of the property, to pay such outgoings, and penal charges, to the authority or the person to whom they are payable also the cost of any legal proceedings, (ix) shall not mortgage or create a charge on such apartment, plot or building after he executes an agreement for sale for any apartment, plot or building. In terms of the agreement for sale, the promoter may cancel the allotment. However, the allottee may approach the Authority for relief. All details shall be prepared and maintained by the promoter as may be prescribed.

¹12. Obligations of promoter regarding veracity of the advertisement or prospectus

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.

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.

COMMENTS

This section relates to obligations of promoter regarding veracity of the advertisement or prospectus. Where any person makes an advance or a deposit on the basis of the information contained in the notice, advertisement or prospectus or any model apartment, plot or building 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. However, if the person affected by such incorrect, false statement contained in the notice, advertisement or prospectus, or the model apartment, plot or building, intends to withdraw from the proposed project, entire investment alongwith interest shall be returned to him in the manner as provided under this Act.

¹13. No deposit or advance to be taken by promoter without first entering into agreement for sale

(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 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.

COMMENTS

This section relates to "no deposit or advance to be taken by promoter without first entering into agreement for sale". Promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot or building as an advance payment or an application fee, from a person without entering into a written agreement for sale with such person and register the agreement for sale, as per law in force. The agreement for sale shall specify the particulars of development of the project including the construction of building and apartments, alongwith specifications, etc., the dates and the manner by which payments towards the cost of the apartment, plot or building 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 and such other particulars as may be prescribed.

¹14. Adherence to sanctioned plans and project specifications by the promoter

(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

¹ Enforced w.e.f. 1-5-2017 vide SO 1216(E), dt. 19-4-2017.