

A & S LAW WEEKLY

***WEEKLY LEARNING
SERIES***



A & S LAW WEEKLY
Week - 27
Obligations of promoters
under RERA



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TABLE OF CONTENTS

S.No	CONTENT	SLIDE NO.
1	Section 11 – Functions and duties of promoters	4
2	Section 12 – Veracity of advertisement/Prospectus	5
3	Section 13 – No Advance/Deposit without sale agreement	6
4	Section 14 – Adherence to sanctioned Plans	7
5	Section 15 – Transfer of real estate project to third party	8
6	Section 16 – Insurance of real estate project	9
7	Section 17 – Transfer of Title	10
8	Section 18 – Return of amount and compensation	11
9	Section 19 – Rights and duties of allottees	12

FUNCTIONS AND DUTIES OF PROMOTERS – SECTION 11

**Enter all details of
project in the web
page of the
Authority**

**Mention the details
of the web page in
the advertisements**

**Provide sanction
plan and schedule of
completion during
allotment**

**Comply with sale
agreement, provide
completion
certificate and other
requirements**

**Register deed of
conveyance**

**Pay all
dues/outgoings till
date of transfer**

**Not to create charge
after entering into
sale agreement**

VERACITY OF ADVERTISEMENT/ PROSPECTUS – SECTION 12

**FALSE/ INCORRECT
INFORMATION IN
ADVERTISEMENT/
NOTICE**

**Buyer entitled to
withdraw with his
entire investment with
interest**

**Buyer is entitled to get
compensation for
loss/damage suffered**



NO ADVANCE / DEPOSIT WITHOUT SALE AGREEMENT SECTION - 13

- Section 13 of the RERA Act mandates a promoter not to take any advance or deposit without entering into a sale agreement
- A promoter shall not receive advance or deposit more than 10 % of the cost of the plot or apartment or building without entering into a sale agreement with the buyer and the same shall be registered
- Such sale agreement shall be in prescribed format, and shall specify the particulars of development of the project including the construction of building and apartments, along with specifications etc.

ADHERENCE TO SANCTIONED PLANS AND PROJECT SPECIFICATIONS BY THE PROMOTER

SECTION - 14



- A Promoter should Complete Projects in accordance with Sanctioned Plans, Layout plans and specifications approved by Competent Authorities.
- After it is approved by the Authority , the same shall be disclosed to the person who wishes to take the said property.
- The Promoter should not make any fixtures, amenities etc., in the said property without Prior consent from the person after it is Approved .
- Due to Structural or architectural reasons a promoter can make minor alterations and the same should be verified by an architect or Engineer after Proper intimation to the allotted.
- It is mandatory that 2/3 rd allottees Written Consent is required for making alterations in the buildings or in any common area of the Project.
- If any structural defect or defect in quality, workmanship or any other obligations of the promoter is brought to the notice of Promoter within 5 years from the date of handing over the possession the Promoter should clear out the defects
- If Promoter fails to rectify those defects , the allotted are entitled for Compensation.

TRANSFER OF A REAL ESTATE PROJECT TO A THIRD PARTY

SECTION-15



- ❑ Written consent from 2/ 3 rd allottees and approval from the Authority is mandatory
- ❑ The said Transfer should not affect the real estate project
- ❑ Should comply with all the pending obligations or terms as agreed for sale with the allottees.
- ❑ Promoter shall be liable to the consequences of breach or delay .



INSURANCE OF REAL ESTATE PROJECT

SECTION 16

- ❑ Insurance is required to be obtained by the promoter for title of the land and construction
- ❑ The Promoter is also liable to pay the Premium Charges before transfer.
- ❑ Insurance shall be transferred to the Allottees /association only at the time of agreement of Sale
- ❑ On formation of Association of allottees, all documents relating to insurance shall be handed over to the allottees.



TRANSFER OF TITLE SECTION - 17

Registration of conveyance deed

- Title of UDS/common areas etc to be specified
- Handover of the relevant documents

Handover of physical possession

- Obtaining occupancy certificates
- Handover of plans to the association



RETURN OF AMOUNT AND COMPENSATION SECTION 18

If promoter fails to complete the project on agreed time or discontinue the project (Suspension/revocation)

Allottee withdraws from project

Allottee does not withdraw

Return investment with interest and compensation

Monthly interest to be paid till handover

- Loss on account of defective title to be compensated by the promoter
- Such claims are not barred by limitation
- Failure to discharge terms mentioned in the sale agreement by the promoter shall be compensated

RIGHTS & DUTIES OF ALLOTTEES

SECTION 19



- Information relating to *sanctioned plans, layout plans* along with the specification\
- *Stage wise time schedule of completion of the project,*
- *The possession of apartment / plot / building & the association of allottees may claim the possession of the common areas*
- *claim for refund of amount paid along with rate of interest and compensation as prescribed, in case of discontinuance of project*



S. 19 - RIGHTS & DUTIES OF ALLOTTEES (contd.)



- For having the *necessary documents and plans* including that of common areas *even after the physical handover of possession* of the building / plot / apartment by the promoter.
- The allottee is *responsible to make necessary payments* within the *specified time in the prescribed manner at the specified place*.
- *In case of any delay in payment towards any amount / charges to be paid, then the allottee is liable to pay the such prescribed interest.*



S. 19 - RIGHTS & DUTIES OF ALLOTTEES (contd.)

- If mutually agreed between the allottees and promoter, then the obligation & the liability towards interest payable by the allottee may be reduced.
- participation towards the formation of an association / society / co-operative society / federation of the allottees.
- Take physical possession within two months from the issuance of the occupancy certificate for such apartment / building / plot.
- participation towards the registration of the conveyance deed of the said apartment / building / plot.



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