



RERA – AN OVERVIEW

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WHY RERA ?

- 1) It will strengthen & protect prospective buyers from fraudulent developers and builders.**
- 2) It will weed out weak & unscrupulous builders from the business as they will find it difficult to comply with these rules.**
- 3) The stringent provisions buyers' protection from non-performance & default by the Builders will stop them from cheating as such defaults come along with Criminal penal provisions.**
- 4) All real estate projects have to be registered with RERA prior to commencement. It's the duty of RERA to fast track dispute resolution through adjudicating judges (district judges).**
- 5) The RERA is sort of judicial tribunal. Now the developer cannot presale the area in bulk but they will have to get registered with RERA. They have to first approach planning authority, Municipality, Municipal Corporation for the proposal of construction. If the proposal is in order, the authority issues Commencement Certificate [CC].**
- 6) Improve the perception of the sector among various stakeholders.**
- 7) Uniform regulatory environment.**



Under Scrutiny

An SC judgement restrained IDs, promoters of Jalprakash Associates from transferring personal assets for a company's Insolvency Issue



Current legislation framework does not differentiate between IDs and EDs

₹526 cr
Jaypee Infratech defaulted on loans outstanding to the IDBI Bank



It was among the 12 companies, against whom the RBI had asked banks to file Insolvency petitions



Role of Independent Directors (IDs)



- They are expected to be Independent from the management and act as trustees of shareholders
- They are obligated to be fully aware of and question the conduct of organisations on relevant issues

HC rejects Navi Mumbai builder's bail plea, says cheating is serious offence

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State consumer panel rejects builder's bail plea for failing to hand over flat

Mumbai: Cheating people by promising them flats is a serious offence that affects society, the Bombay high court ruled while rejecting a Navi Mumbai builder's plea for pre-arrest bail. Anil Nanaware of Sai Enterprises had sought anticipatory bail after he was booked for cheating around 69 flat buyers who had booked apartments in a residential project in Khandeshwar that was subsequently abandoned.

"Prima facie, the applicant dishonestly induced persons to book apartments when he (did not have) valid authority or permission to develop. The applicant secured huge amounts from the public at large," said Justice

The Maharashtra State Consumer Disputes Commission recently rejected a builder's prayer for bail after he was ordered to be taken into judicial custody for failing to comply with its order to hand over a flat to a buyer. The builder, Nitin Mehta, was granted a bail by the Bombay high court, after he promised to "settle" the matter with Manherlal Shah. But the HC had said that if he failed to honour his statement within 10 days, the order of the state commission directing him to hand over the flat or repayment of the amount would come into operation. **Full report, P 9**

Anant Badar. "The offence has serious repercussions on society as well as public at large. He breached the trust reposed in him by his customers. This court has noticed several such instances of cheating by builders," the judge added.

Nanaware offered to repay the amount collected from the flat buyers but the

HC said that it was a different issue. "Considering the nature of offence and involvement of the interest of many people, preference cannot be granted to the personal liberty of (Nanaware). That apart, his custodial interrogation is necessary," the judge said.

Nanaware had floated a project, Parth Residency,

and had collected money from prospective flat buyers. CIDCO issued a notice to the firm in 2015, ordering it to stop construction, as no permission was obtained under the Maharashtra Regional Town Planning Act, so construction was abandoned. An HC bench in March 2015 gave the builder a month to obtain permission from CIDCO. But the approvals did not come through and earlier this year a flat buyer lodged a complaint with the Khandeshwar police. Nanaware claimed he had obtained permission from the gram panchayat, fire department and airport authority.

The HC, however, pointed out that despite no approval to construct the building, as per the complaint, he had gone ahead and sold the flats.

Court Pulls Up Unitech Top Bosses Over Default

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New Delhi: At the end of their three-day interim bail in a cheating case, additional sessions judge of the Delhi District Court Vimal Kumar Yadav asked Unitech top bosses when they would settle dues of hundreds of other investors in their projects.

The court pulled up Unitech chairman Ramesh Chandra, MDs Sanjay and Ajay Chandra and company director Minoti Bahri for not fulfilling assurances made to investors.

"You gave assurances and then ran away. You don't act till the time a situation of sending you to jail arises. What about the money of hundreds of others (investors)? When will that be settled," Judge Yadav asked.

These remarks from the court came when the Chandras and Bahri who appeared in the court at the end of their three-day interim bail in a cheating case, said to the court that the issue with the complainant has been settled and the complainants wish to withdraw the case. The judge then asked the officials and the complainants to move proper application in this regard before the concerned magisterial court.

The application was then filed befo-



VIMAL KUMAR YADAV
Additional Sessions Judge,
Delhi District Court



You gave assurances and then ran away. You don't act till the time a situation of sending you to jail arises

re Additional Chief Metropolitan Magistrate Gaurav Rao who allowed the two investors, Sanjay Kalra and Devesh Wadhwa, to withdraw their complaint of alleged cheating after they informed that their dues have been cleared by the company.

Kalra told ET that they have given it in writing to the court that they have no objection in withdrawing the case as they have received the settlement from the company.

The complainant duo had filed a case against the company after it failed to give possession of flats in a project that had started in 2005. The two and Unitech had reached a settlement in court in 2014 under which Unitech was to refund their monies. But that did not happen.

First RERA verdict: Builder told to return ₹26 lakh to flat buyer

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The Maharashtra Real Estate Regulatory Authority (MahaRERA) on Wednesday asked a builder in Mumbai to return an advance of Rs 26.15 lakh to a buyer, the first such order since the real estate law came into effect in the state on May 1. The order came on Wednesday in a case registered by a buyer from Khar against the developer for a project in Virar (West).

The complainant, a consultant who agreed to speak to TOI on condition of anonymity, said he had registered the complaint under the Real Estate (Regulation and Development) Act because he was not getting a refund of the advance paid for the project.

MahaRera authorities said the comp-

lainant, who booked the flat in 2012-13, was told that the project would be completed in 2016. The case was filed as the project was dragging on with no end in sight.

"We are extremely happy that MahaRERA ruled in our favour. The developer immediately issued the cheque following the order," said the complainant, who was present at the MahaRERA office with his spouse. He had filed a complaint on the MahaRERA website by paying Rs 5,000.

RERA officials said the builder agreed to pay the complainant after three hearings. "Consent terms were filed by both parties and the developer agreed to return the amount...complaint was heard before adjudicating officer B D Kapadani," MahaRERA secretary Vasant Prabhu told TOI. He added this was the first decision taken after MahaRERA was constituted.

Mumbai Grahak Panchayat (MGP)

chairperson Shirish Deshpande said they were expecting more consumers to register their grievances against developers registered with MahaRERA. "We have to wait and watch," he added.

A deadline for registering housing projects in the state with MahaRERA ended on July 31. Since then the authority has registered over 13,000 projects, highest in the country. And the authority has so far received 98 complaints from buyers.

Credai-Maharashtra president Shantilal Kataria said builders' response to MahaRERA registration was encouraging. "At least 17 lakh residential units, over 1 lakh commercial units and above 2 lakh plots have been registered with MahaRERA. This is among the highest in the country. We hope more developers will register with MahaRERA in near future," Kataria said.

LOCAL
AUTHORITY

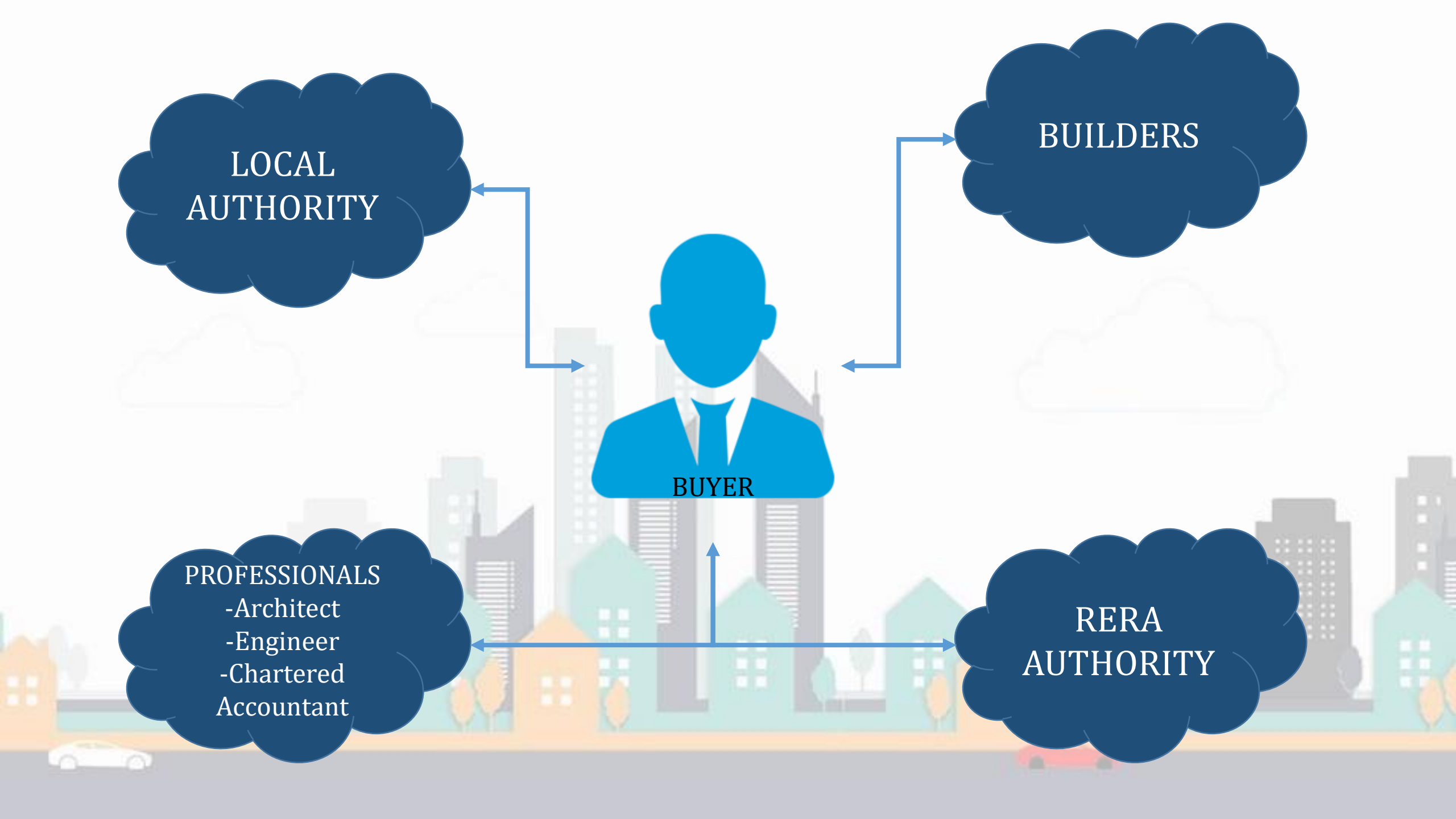
BUILDERS

BUYER

PROFESSIONALS

- Architect
- Engineer
- Chartered Accountant

RERA
AUTHORITY



COMPOSITION OF GUJARAT REAL ESTATE REGULATORY ACT :

**GUJARAT
RERA**

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graph TD; A((GUJARAT RERA)) --- B((92 Sections)); A --- C((5 Circulars)); A --- D((6 Forms)); A --- E((3 Penalty Orders))
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92 Sections

5 Circulars

6 Forms

**3 Penalty
Orders**

Composition of RERA Act :

Sections	Provisions of the Act
1-2	• Scope and Definitions
3-8	• Registration of the Project
9-10	• Registration of Agents and its Functions
11-18	• Functions and Duties of Promoters
19	• Rights and Duties of Allottees
20-39	• RERA Authority-Constitution , Administration, Functions, Powers, etc.
40	• Recovery of Interest or Penalty or Compensation from Developer by the Authority or Land Revenues
43-58	• RERA Tribunal-Constitution, Administration, Functions, Powers, etc.
59-72	• Penalties and Offences
73-78	• RERA Authority-Accounts, Finance, Audit and Reports
79-92	• Miscellaneous Provisions: Bar of Jurisdiction, Power to make Rules & Regulations, Act to have overriding effect over other Acts

Composition of RERA Act :

Circulars	Particulars
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1

- FORM of Certificates and Reports

2

- Clarification on CA certificate

3

- Clarification on calculation of Carpet Area as defined under Act

4

- Clarification on date of completion of the project to be indicated in Form B, Affidavit with reference to registration of real estate project under Real Estate (Regulation and Development) Act, 2016

5

- Financial heads of public authorities to be competent to sign certificates for the purpose of registration and for withdrawal of money as prescribed under Rule 3 and Rule 5 of the Gujarat Real Estate Regulatory Authority (General) Rules 2017

Composition of RERA Act :

FORMS	Particulars
FORM B	<ul style="list-style-type: none">• Affidavit cum Declaration
FORM 1	<ul style="list-style-type: none">• Architect Certificate
FORM 2	<ul style="list-style-type: none">• Engineer Certificate
FORM 3	<ul style="list-style-type: none">• Chartered Accountant Certificate
FORM 4	<ul style="list-style-type: none">• Architect's Certificate at completion of project
FORM 5	<ul style="list-style-type: none">• Statutory Auditor's Certificate at year end

Composition of RERA Act :

Penalty Orders

Particulars

Penalty Order 1

- Dated : 19th September, 2017 : Promoter/Developer who do not apply for the registration of their on-going projects before 1/10/2017 will be required to pay a registration fee and a penalty equivalent to the registration fee for applications during the period from 1/10/2017 to 31/10/2017. From 1/11/2017 to 30/11/2017, the amount to be paid at the time of registration fee plus two times registration fee as penalty.

Penalty Order 2

- Dated : 28th November, 2017 : Period of 200% penalty extended up to 31/12/2017

Penalty Order 3

- Dated : 30th December, 2017 : Promoter/Developer who do not apply for the registration of their on-going projects will be required to pay a registration fee plus 2.5 times of the regular fee for applications received after 31/12/2017

Applicability:

Section 3 (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.

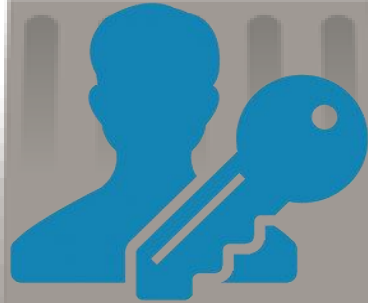
Explanation : For the purpose of this section, real estate project must be registered under RERA if any or both of the conditions are not complied with.
Eg. : In a real estate project, where the area is less than 500 square meters but there are more than eight apartments, in such case the said real estate project must register under RERA

PIVOT PILLARS OF THE ACT



COMPLIANCE

COMPLIANCE



FINANCIAL
DISCIPLINE

FINANCIAL
DISCIPLINE



CUSTOMER
CENTRICITY

CUSTOMER
CENTRICITY



TRANSPARENCY

TRANSPARENCY

COMPLIANCE

FINANCIAL
DISCIPLINE

CUSTOMER
CENTRICITY

TRANSPARENCY

What it entails ?

Authenticated copy of all approvals, commencement certificate, sanctioned plan, layout plan, specification, plan of development work, proposed facilities, Proforma allotment letter, agreement for sale and conveyance deed to be given when applying for project registration with RERA

Registration of
agents/brokers with
RERA

Timely updating of
RERA website

Maximum 1 year
extension in case of
delay due to no fault
of developer

Annual audit of
project accounts by a
CA

Developers to share
details of projects
launched in last 5
years with status and
reason for delay with
RERA

Dispute resolution
within 6 months at
RERA and RERA
appellate tribunals

Conveyance deed for
common area in favor
of RWA

Separate registration
of different phases of
a single projects

Mandatory registration of new
and existing projects with
RERA before launch

Construction and
land title insurance

Project completion
time period

COMPLIANCE

FINANCIAL
DISCIPLINE

CUSTOMER
CENTRICITY

TRANSPARENCY

What it entails ?

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

70% of the funds collected from allottees needs to be deposited in the project account

Withdrawals to cover construction and land cost

Withdrawals to be in proportion to the % completion method

Withdrawal to be certified by Engineer, Architect, and CA

Provision for RERA to freeze project bank account upon non-compliance

Project Accounts to be Audited / FY. Copy to be submitted to RERA

Provision for stronger financial penalties for RERA non-compliances

Interest on delay will be same for customer and promoter

COMPLIANCE

FINANCIAL
DISCIPLINE

CUSTOMER
CENTRICITY

TRANSPARENCY

What it entails ?

Sharing information project plan, layout, government approvals, land title status, sub contractors

Increased assertion on the timely completion of projects and delivery to the consumer.

An increase in the quality of construction due to a defect liability period of five years.

Formation of RWA within specified time or 3 months after majority of units have been sold

Consent of 2/3rd allottees for any other addition or alteration

Consent from affected allottees for any major addition or alteration

Unbiased interest on delays

Informing allottees for any minor addition or alteration

No false statements or commitments in advertisement

COMPLIANCE

FINANCIAL
DISCIPLINE

CUSTOMER
CENTRICITY

TRANSPARENCY

What it entails ?

Number, type
and carpet area
of apartments

No arbitrary cancellation of units
by promoter

Quarterly update of project
progress along with pending
approvals on RERA website

Consent from affected allottees
for any major addition or
alteration

Project completion time frame

Consent of 2/3rd allottees about
any other addition or alteration

Informing allottees about any
minor addition or alteration

Every officer of a company,
who was in charge or
responsible will be liable for
the conduct of the company
and deemed to be guilty

Quarterly updating of RERA
website with details such as
unsold inventory and pending
approvals

No launch or advertisement
before registration with RERA

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

No false statements or
commitments in advertisement

Consent of 2/3rd allottees for
transferring majority rights to 3rd
party

SEPARATE PROJECT ACCOUNT (70:30 Rule)

- Of the total collections, **only 30% can be withdrawn without any restriction.**
- Rest of the amount (70%) can be withdrawn in stages **in proportion to the percentage completion** of the project (construction cost plus land cost).
- Withdrawals to be certified by CA, Engineer and Architect; Audit report by a practicing CA to be submitted to RERA annually.

APPLICABILITY OF THE 70:30 RULE TO THE ONGOING PROJECTS

Applicable Prospectively

- 70% of the amount **to be realized** from the allottees shall be deposited in such separate account

100% of the Amount to be realized to be deposited

- In the event where the **estimated receivables** of the ongoing project is **less than the estimated cost of completion** of the project, then **100%** of the amount to be realized from the allottees shall be deposited in the said separate account.

WITHDRAWALS FROM PROJECT ACCOUNT

Withdrawals from project accounts – Following are the documents required for withdrawal from project account :

- ✓ **A certificate from Architect certifying the percentage of completion of construction work.**
- ✓ **A certificate from the engineer for the actual cost incurred on the construction work.**
- ✓ **A certificate from a CA for the cost incurred on construction cost and land cost.**
- ✓ **The Chartered Accountant shall also certify the proportion of the cost incurred on construction and land cost to the total estimated cost of the project.**
- ✓ **The total estimated cost of the project multiplied by such proportion shall determine the maximum amount which can be withdrawn by the promoter from the project account.**

As per the Act, the land cost can be withdrawn only in proportion to construction cost even if it has been paid in full.

What are the governing Standard on auditing and Guidance Note by ICAI. (Pronouncement by ICAI) for issuing certificates?

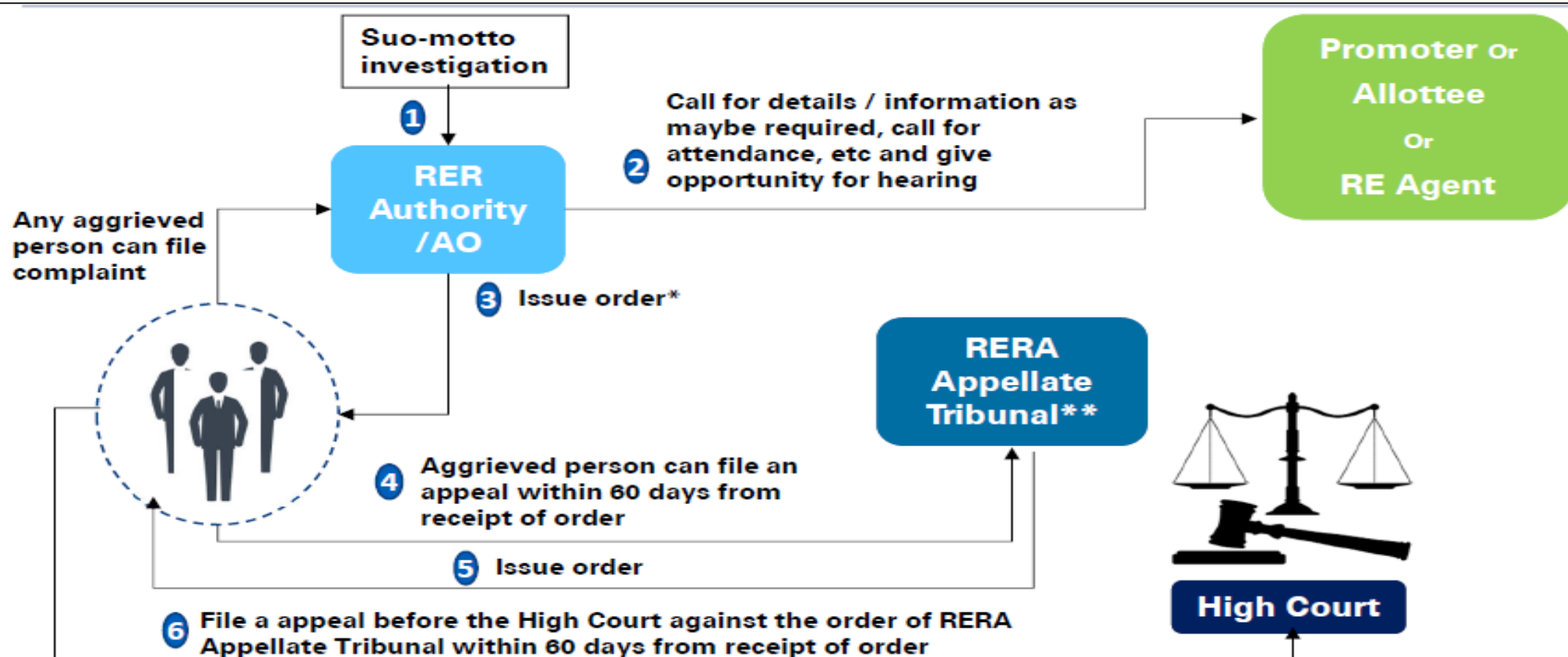
Following are the standards and guidance notes:

1. Written Representations (Standard On Auditing -580)
2. Using the Work of An Auditor's Expert (Standard On Auditing -620)
3. Guidance Note on Accounting for Real Estate Transactions Revised 2012,
4. Guidance Note on Reports or Certificates for Special Purposes Revised- 2016

OFFENCES AND PENALTY:

PROVISION	PROMOTER	AGENT	ALLOTTEE
Non-registration of project/agent with RERA and continue to do so	Up to 10% of the estimated project cost	Penalty of INR10,000 per day during default tenure up to 5% of property cost	
False information while making an application to RERA	Up to 5% of the estimated project cost		
Contravention of any provisions of the Act (other than stated above)	Up to 5% of the estimated project cost	Up to 5% of the property cost	
Non-compliance with the order of RERA	Daily penalty up to 5% of the estimated project cost	Daily penalty up to 5% of property cost	Daily penalty up to 5% of property cost
Non-compliance with the order of the Appellate Tribunal	Up to 10% of project cost	Up to 10% of property cost	Up to 10% of property cost

REDRESSAL MECHANISM :



**for payment of compensation/ penalty basis complaint received or suo-motto investigation*

***Promoter aggrieved by the order of the Authority or of AO, the appeal before RERA Tribunal can be heard only after deposit of at least 30% of the penalty or such higher % as may be determined or payment of interest and compensation to the Allottee, or both*

APPELLATE TRIBUNAL :

- **Tribunal to pass the order within 60 days** – record reasons for any delay in disposal of appeal
- **Tribunal not bound by the procedures under Code of Civil Procedure 1908** – can have its own procedures and shall be guided by principles of natural justice
- **Tribunal not bound by the rules of evidence under Indian Evidence Act, 1872**
- **Tribunal has same powers as are vested in Civil Court under the Code of Civil Procedures 1908** – examine documents, issue summons, examination on Oath, asking affidavits, issuing commissions for examination of documents/witness, reviewing decisions, etc.
- All proceedings before Tribunal to be **judicial proceedings under Indian Penal Code and tribunal shall be deemed to be a Civil Court for the purposes of Code of Criminal Procedure 1973**
- **Order passed by Tribunal to be executed as Decree of Civil Court**
- **Allottee or Complainant cannot seek remedy both before the Tribunal and Civil Court** –No Civil Court has jurisdiction to entertain any suit or proceedings in respect of any matter with the Authority or Tribunal
- **Appeal can be preferred against the order of Tribunal before HC within 60 days**
- Representations before Authority and Tribunal can be made by Company Officer or CA or CS or Cost Accountant or legal practitioner

Initial understanding of FORMS

- Form 1- Certificate from project Architect
- Form 2- Certificate from project Engineer
- Form 3- Certificate from Chartered Accountant
- Form 4- Certificate from project Architect on completion of each building/wing
- Form 5- Certificate from Chartered Accountant who is statutory auditor of promoter's enterprise

Elaboration of Explanation-1 to Regulation-4 of General Regulations, 2017

- **Form-3:** Form-3 is a certificate from practicing Chartered Accountant, issued specifically based on verification of books of accounts, bank statements, and discussion with Promoter etc., to certify the eligibility of withdrawal limits from the designated separate account in proportion to incurred & paid cost of project (actual cash out flows) **(Source: Section 4 (2) (I)(D) of RERA, 2016 read with GUJRERA Circular No.1 & 2 dated 29th July, 2017)**
- **Form 5:** Form-5 is a Audit Report from a practicing Chartered Accountant which is primarily an opinion that 70% of the project receipts are credited to Project Specific (designated) RERA account and withdrawals from such account are in proportion of completion of project as certified by an Architect, an Engineer, a Chartered Accountant with emphasis on appropriateness of Form 1, 2 & 3 issued during the year. Thus, RERA Act has envisaged project audit to ensure compliance with RERA. **(Source: Section 4 (2) (I)(D) of RERA, 2016 read with Explanation 2 to Regulation-4)**

Road Map :

Land Cost

- Issues faced by members in determining amount under land cost and under rehabilitation scheme.

Development Cost

- The major area where professionals find difficulties on what to include and what not to include in development cost.

Amount to be withdrawn

- Determining net amount to be withdrawn from designated bank account of the promoter as per stage of completion.

Additional Information on on-going project

- Details which are required to be furnished as per annexure of sold and unsold inventory as attached with FORM-3.

(i) Land Cost:

Any premium paid for obtaining FSI, additional FSI, fungible area and any other incentive to statutory or local authority.

(a.)
Acquisition
Cost of Land
or
Development
Rights

Includes cost of acquiring land or development rights , lease premium , lease rent , interest cost incurred or payable on Land cost and legal cost.

(b.) Floor
Space Index
(FSI)
Premium

(c.)
Transferable
Development
Rights (TDR)

Any amount paid towards acquisition cost of TDR.

(i) Land Cost:

Land premium payable for redevelopment of land owned by Public Authorities as per ASR.



(d.)
Amount payable to government or any statutory authority

Includes amount payable towards stamp duty, transfer charges, registration fees, etc.



(f.)
Rehabilitation Scheme

Estimated construction cost of rehab building i.e. rehabilitation schemes for slum dwellers. Here, even cost of land under reconstruction scheme is to be populated

(ii) Development Cost :

ii. a (i) Estimated Cost of Construction

- **Estimated cost of construction as certified by engineer under Para 3 of Form-2 is to be mentioned here. Only column of Estimated cost of construction is to be populated, incurred and paid column should be left unattended.**

ii. a (ii) Actual Cost of Construction

- **Engineers are expected to populate estimated cost incurred till date under Para 4 of FORM-2, whereas under this clause amount incurred as well as paid till date should be mentioned.**
- **Actual cost of construction should be determined by CA after verification of books of accounts. Thus amount for outstanding cost of construction for which payment is not made should not be included here.**

(ii) Development Cost :

ii. a (iii) On-Site Expenditure

- **Expenditure which are not included in clause 1(ii)a (i) and clause 1(ii)a (ii) but which pertain to on-site expenditure**
- **But shall not consider following expenditure:**
 - a. General administration expense
 - b. Marketing and selling cost
 - c. Research and development cost
 - d. Advance payment to sub-contractor
 - e. Cost of unconsumed or uninstalled material delivered at site
- **All costs directly incurred to complete the construction of the entire phase of the project registered is included here i.e. salaries, consultants fees, site overheads, development works, cost of services (including water, electricity, sewerage, drainage, layout roads etc.), cost of machineries and equipment including its hire and maintenance costs, consumables etc.**

(ii) Development Cost :

ii. b

Payment to any Statutory Authority:

- **Payment of Taxes, cess, fees, charges, premiums, interest etc. to any Statutory Authority.**
- **Here charges shall include costs for plan passing, fire NOC, environmental clearance, height clearance, B.U. permission certificate charges, etc.**

(ii) Development Cost :

ii. c

Interest payable:

- **Interest payable to financial institutions, scheduled banks, non-banking financial institution (NBFC) or money lenders on construction funding or money borrowed for construction.**
- **Borrowing cost which are incurred directly in relation to a project or which are apportioned to a project should only form part of construction cost.**

4

% of completion:

- **Percentage of completion of Construction Work (as per Project Architect's Certificate on completion of project)**
- **Percentage of Completion only to be mentioned when Architect Certificate on Completion of Project has been provided. Form-4 Architects Certificate (On completion of Project) has been prescribed for the same.**

6

Amount which can be withdrawn:

- **Amount which can be withdrawn from the Designated Account = Total Estimated Cost * Proportion of cost incurred and paid (Clause 2 * Clause 5)**
- **This amount has to be same as that mentioned in clause 3 or can be lower than that due to rounding off of Proportion of the Cost incurred (i.e. % = clause 3 / clause 2).**
- **Thus, this amount in no case can exceed the amount mentioned in clause 3 of Form 3.**

7

Amount withdrawn till the date:

- **As per Circular 2: In respect of ongoing project for the *first certificate* to be issued by a Chartered Accountant at the time of registration and for the *first withdrawal* post registration:**
Amount withdrawn till the date of the certificate shall be either (a) or (b) *whichever is lower*,
(a) “100% of the amount received towards consideration of sale of apartments of the real estate project till date of registration” *or*
(b) Amount of project cost incurred and paid as reflected at clause (3)/clause (6) of Form-3.
- **The expression “Amount withdrawn till the date of the certificate as per the Books of Accounts and Bank Statement” appearing at clause 7 of Form 3 of Gujarat RERA means the amounts withdrawn from the Separate Bank Account as per the Books of Accounts and Bank statement of that Separate Bank Account.**

Additional information for On-going projects

1. Estimated Balance Cost to Complete the Real Estate Project.

- **This amount shall be the difference of Total Estimated Project cost (clause-2) less Cost incurred and paid (clause-3)**

2. Balance amount of receivables from sold apartments as per Annexure-A to this certificate.

- **Certified by Chartered Accountant as verified from the records and Books of Accounts**
- **Annexure-A details are to be provided unit wise:**

Unit consideration of sold inventory (as per agreement or letter of allotment)

Received
amount (Rs)

Balance
receivable
amount (Rs.)

Additional information for on going projects

3. Balance Unsold area and estimated amount of sales proceeds.

- **Balance unsold area to be certified by management and to be verified by Chartered Accountant from the records.**
- **Estimated amount of unit consideration of unsold inventory as decided by management to be disclosed in Annexure –A.**

4. % of amount to be deposited in designated account.

- **Amount to be deposited in Designated Account – 70% or 100%**
- **If 4 is greater than 1, then 70% of the balance receivables of Ongoing project will be deposited in designated Account.**
- **If 4 is lesser than 1, then 100% of the balance receivables of Ongoing project will be deposited in designated Account.**

General points to be considered:

- **For Form-3 obtain amounts of estimates for each of the heads, which are applicable to the specific project. For this CA may have a discussion with the Promoter – Management representation / Rely on the work of other professionals.**
- **In case any row / cell is not applicable to the specific project, then place “0” or “NA” in front of particulars.**
- **In case, project is not registered, mention application no.**
- **Certificate must be on letter head in original, containing FRN and dated.**

General points to be considered:

- **Certificate must contain amounts in Rs. (full figures) and no rounding offs to nearest lakhs/crores.**
- **Your certificate may contain other notes for proper clarification / justification, if required.**
- **In case any correction is suggested in Form 3, then in that case you have to issue a revised certificate again.**
- **The increase in construction cost due to execution of extra/additional items as certified by the engineer in Table C of the Form 2 shall be allowed to be included in the on-site expenditure (Over and above the actual on-site exp.) for development of entire site etc. Under 1(ii)(a)(iii) of form 3 of Gujarat RERA.**



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