

De Jure

August 14, 2017

Registration of On-Going Real Estate Projects
with MahaRERA stands extended.



Introduction

As per section 3(1) of The Real Estate (Regulation and Development) Act, 2015 ("**RERA**"), all the on-going real estate projects (*in respect of which the Occupation Certificate has not been received from the concerned Authority, "On-Going Projects"*) should have been registered with the Maharashtra Real Estate Authority (*relevant to Maharashtra, "Authority"*) on or before July 31, 2017 ("**Due Date**").

Despite expiry of the Due Date, the On-Going Projects registered within the State of Maharashtra with the Authority are way below the estimated numbers, and few applications continued to pour in on August 1 and August 2, 2017, citing reasons of technical difficulties and cumbersome process of online registration for each of the On-Going Project or phase of the project thereof, whereas, Section 5(1)(b) of RERA provides for rejection of all the applications received past the Due Date.



To deal with the aforesaid applications, the Authority held a meeting on August 2, 2017. The Authority *inter alia* considered the fact that **(i)** under no circumstances the period of registration would be extended further and **(ii)** the defaulters/ applicants must be individually or collectively be heard (*which would cause unnecessary delays and hardships on the promoters to present their individual cases*), and decided that all such applications received past the Due Date upto August 2, 2017 would be permitted to be registered, subject to payment of penalty of Rs.50,000/- (Rupees fifty thousand only) by the promoters within seven days, failing which, the applications would be dealt with under Section 5(1)(b) of RERA.

On or after August 3, 2017, various promoters made applications to the Authority to register their On-Going Projects, which was not permissible, and to deal with this scenario, the Authority once again met on

August 10, 2017, *inter alia* discussed that **(i)** the promoters (*who were coming forward to register the On-Going Projects for being RERA compliant*), should not be discouraged by rejecting their applications and **(ii)** if a penalty linked to the project cost of each project was to be levied, every defaulting promoter would have to be given a personal hearing before passing such an order and it would be tedious and extremely cumbersome causing further delays in implementing the On-Going Projects, which would defeat the provisions of RERA, and therefore it has decided that all such applications received from August 3, 2017 upto 5:00 p.m. on August 16, 2017 would be permitted to be registered, subject to payment of penalty of Rs.1,00,000/- (Rupees one lakh only) or the amount equivalent to the registration fee for the project registered, whichever is higher, by the promoters, failing which, the applications would be dealt with under Section 5(1)(b) of RERA.

Contributed by:

Amit Kolekar: akolekar@rajaniassociates.net

Khushrav Kumana: kkumana@rajaniassociates.net

AREAS OF PRACTICE

| Capital Markets | Private Equity | Mergers and Acquisitions | Corporate Litigation & Arbitration | Projects & Project Finance |
| Real Estate & Trust | Corporate & Commercial | Banking & Finance | Structuring | TMT | IPR | Employment |

DISCLAIMER

This update only contains a summary/ limited description of the topic dealt with hereinabove for general information purposes and should not be construed as a legal opinion or be relied upon in absence of specific legal advice. For further information or legal advice please feel free to contact us.

CONTACT US



Rajani Associates

simple solutions

Address:	Krishna Chambers 59 New Marine Lines Churchgate Mumbai 400020 Maharashtra, India
Telephone:	(+91-22) 40961000
Facsimile:	(+91-22) 40961010
Email:	dejure@rajaniassociates.net
Website:	www.rajaniassociates.net
