



FAQS

A guide to promoters for registering projects

**Frequently Asked Questions Regarding Registration/Extension of Registration
of Real Estate Projects**

FAQ FOR REGISTRATION OF THE PROJECT

Q1. Who needs to register project?

Ans.- Projects having more than eight flats of having land area more than 500 sqmts need to be registered with the Authority.

Projects falling under the planning area of the state of Bihar.

Projects that are ongoing on the date of commencement of this Act of RERA.

Projects for which Completion Certificate has not been issued.

Projects which have not obtained Occupancy Certificate from the competent authority.

Projects for the purpose of renovation, repair or re-development involving marketing, selling.

Projects developed in phases; every phase considered as a stand-alone real estate project.

Q2. What a Promoter will do after getting the Registration Certificate?

Ans. He will receive a Login Id and Password, create his webpage on the website of the Authority,

enter all details of the proposed project, for public viewing, including details of registration

granted by the Authority, number and types of apartments or plots, garages, approvals taken

and pending, status of project, etc.

Q3. What is the function of the Promoter after creating his webpage?

Ans. He may advertise his registered project, start taking bookings, may take advances not more than 10% of the project from the allottees, deposit them in the Bank, carry on with the works with the fund taken from the allottees as per the percentage completion of work, withdraw money from Bank to cover the cost of the project, submit Quarterly progress reports on the website of RERA, construct project as per the sanctioned plans and finally complete the building,

He can obtain Completion Certificate from Project Architect, get Occupancy Certificate from the Competent Authority, execute registered conveyance deed in favour of the allottees, handover the physical possession of the apartments or the plots to the respective allottees including parking or garages, handover common areas and

necessary documents and plan to the association of allottees and lastly apply to RERA to get the closure certificate.

Q4. What are the documents one has to submit while applying for registration?

Ans. Details of Land documents, Sanctioned plans and financial documents.

Q5. Why RERA designated account is required for any real estate project?

Promoter shall maintain a separate designated account in the name of the project wherein seventy per cent of the fund received from the allottees shall be deposited for the purpose of construction only of the project and the promoter shall withdraw the amounts from this account to cover the cost of the project, in proportion to the percentage of completion of the project, after it is certified by an engineer, architect or chartered accountant, and get his accounts audited within six months after the end of every financial year.

Q6. What are the types of Real Estate Project ?

Ans.- There are 4 types of real estate project which are as follows:

- i) Residential Projects
- ii) Commercial Projects
- iii) Mixed development projects (Residential-cum-commercial)
- iv) Plotted Development Projects.

Q7. What is Planning Area?

Ans.- Any area notified by the State Government 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. (There is no provision of registration of real estate project falli beyond the planning areas).

Q8. Who is competent authority for approval of maps and getting occupancy permission?

Ans.- Following are the competent authorities;

- i) Municipal Corporation.
- ii) Planning Area Authority.
- iii) Nagar Parishad.
- iv) Nagar Panchayat.

Q9. What is "Building Permit Letter" and "Land Development permit"?

Ans.- It is a permission letter issued by the concerned Competent Authority in Form VIII-A (for Building) and VIII B (for plotted development) after approval of map to carry out the development work as per the Bihar Building Bye laws.

Q10. What is "Sanctioned map"?

Ans.- "Sanctioned map/plan" means the site plan, building plan, parking and circulation plan, landscape plan, layout plan, plotted development which includes structural designs, if applicable, permissions such as environment permission and such other permissions, which is approved by the competent authority of the area concerned.

Q12. What is Notice for commencement of work?

Ans.- The owner/applicant upon commencement of his work under the building permit or for the development of land shall give notice in form X to the Authority that he would start the development work on specified date.

Q13. Why location (Coordinates) of the Real Estate Project is required?

Ans.- Coordinates help in precisely identifying the location of a real estate project. This ensures transparency and accuracy in the information provided to potential buyers or investors and also facilitates mapping and monitoring of real estate projects. By accurately pinpointing the location of project by giving Longitude and latitude of two end points, authorities can monitor the progress of construction and other compliances as per Rules and Regulations.

Q14. What is Estimated cost of real estate project?

Ans.- It means the total cost involved in developing the real estate project and includes the land cost, taxes, cess, development and other charges.

Q15. Why RERA designated account is required for any real estate project?

Ans.- Promoter shall maintain a separate designated account in the name of the project wherein seventy per cent of the fund received from the allottees shall be deposited for the purposes of construction only of the project.

Q16. What is "Annual Report"?

Ans.- Annual report includes audited profit & loss account, Schedule/Notes to account, balance sheet, cash flow statement, directors report and the auditor's report of the promoter, and for partnership/LLP firms, the audited profit & loss account, Schedule/Notes to account, balance sheet, cash flow statement and the auditor's report of the promoter.

Q12. Why certificate from a Chartered accountant (CA) is needed declaring that no advance has been taken from the customers prior to registration of the project ?

Ans.- In case of advances taken from customers as reflected in the financial statements and Notes to accounts indicate advances taken by the promoter and do not indicate the sources of advance, then a certificate from a Chartered accountant is needed. **It ensures that** the promoter has not made any booking prior to registration of the project because this is prohibited under RERA Act.

Q13. Why the statement of Assets & liabilities showing Net worth of promoter entity is needed in process of registration ?

Ans.- If in case the financial statements do not reveal the Net worth of the more than than 10% of the estimated development cost of the project, then this statement is needed “In order to safeguard the interest of allottees to protect at least this amount of 10% in absence of any legal binding (Agreement for Sale) on promoter, the Authority has decided that all such promoters need to submit statement of Assets and liabilities showing net worth equivalent to 10% of the total estimated development value of the project because this amount may be taken from the buyer as booking amount before entering in registered agreement for sale. The step aims to safeguard the interests of allottees.

Q14. Why does the promoter need to submit the details of all the projects taken up by the directors of the company in other capacities, either individual or as part of other entities, in last five years?

Ans.- This query is generally made to check the legal history of the Directors of the company in other capacity, whether the Directors of the company are associated with other company or not and what are the track record of the director(s), whether any legal cases are there or not. This background helps allottees in taking an informed decision before investing in any project.

Q15. What are the Professional details required for registration?

Ans.- i) Name of real estate Agent (if any).
ii) Structural Engineer/s, (if any).
(iii) Architect (if any).
(iv) Contractor (if any).

Q16. What is Form-B ? (As per Rule 3 (4) of Bihar RERA Rules, 2017 notified by the Department of Urban Development and Housing, Government of Bihar)

Ans.- It is a declaration, sworn on an affidavit, which shall be signed by the promoter or any person authorised by the promoter, stating :

- i) 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 other person/s their names are required to be mentioned in it,
- ii) that the land is free from all encumbrances,
- iii) the time period (dd/mm/yyyy) within which he undertakes to complete the project.
- iv) that seventy percent of the amounts collected for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a designated account to cover the cost of construction of the project.

Q17. What are the key points is to be mentioned in proforma of Agreement for Sale?

Ans.- It must be as per the annexure provided in Bihar Real Estate (Regulation and Development) Rules, 2017. Rule 8 says that agreement for sale shall be as per the one given in annexure thus making it binding for the promoters to follow the proforma

given in the annexure, Apart from having specific points the proforma also provides information given below

- a. CIN No., PAN No. & Aadhar no. of the promoter should be mentioned in preliminary portion.
- b. Landowners name & Land Details in Clause A must be mentioned.
- c. Name of Project in Clause B must be mentioned.
- d. The specifications, amenities etc would be mentioned in the draft agreement for sale, schedule A, B, C, D & E or F of draft agreement for sale is mandatory with the application of registration.
- e. Schedule C promoter may give more than one payment plan in schedule C of proforma of agreement for sale, with one must be proportional to the milestones of the construction, and booking amount must not be more than 10%.

Q18. What are the land documents required for the registration of real estate project?

Ans.- Authenticated copy of legal title deed reflecting the legal tile of promoter over the land on which the project is proposed to be executed. In case promoter is not the owner of the land he needs to provide copy of registered development agreement executed between the landowner and promoter along with legally valid documents:

- a) Development agreement(If land is not owned by Promoter).
- b) Sale Deed/Khatiyani/Gift deed.
- c) Mutation order (Sudhi-Patra)
- d) Current LPC
- e) Current Revenue Receipt with updated payment.
- f) Online copy of Jamabandi
- g) Non encumbrance certificate (NEC)

In case of Khatiyani land,

- h) Vansawali/Geneology issued by competent Authority.
- i) Partition deed is required.

Note- All the documents must be authenticated by the Promoter by putting his signature and stamp. *If land deed is in language other than Hindi or English then promoters needs to submit the translated copy which should be duly authenticated by the promoter.*

Q19. Discrepancy found related to an area in between the development agreement, sanctioned map and land documents.

Ans.- The promoter needs to ensure there should not be major differences in land area mentioned in development agreement, sanctioned map and land documents before filling the online application for the registration of the project. For facilitation Table A has been provided with the check list.

Q20. What are the NOCs required for the registration of the project?

Ans.- NOCs required as follows:

- a) **Environmental Clearance certificate**: If the built-up area of the project exceeds the area as prescribed by Competent Authority from time to time then NOC from SEIAA (State Environment Impact Assessment Authority) must be required in such cases.
- b) **NOC form Fire Service Authority**: If case building height is equal or more than 15 Mor if coverage area of any floor of the building is more than 500 Sqm, then NOC from Fire Service Authority must be required in such cases.
- c) **NOC from Airport Authority of India**: AAI has prescribed various colour coded zones indicating the location and height of the project where NOC from AAI is required, Promoter needs to check it and submit the NOC from AAI.

Q21. What is share distribution affidavit?

Ans – This affidavit, sworn jointly by the Promoter and Land owners in prescribed format, is taken in case the project is being executed over piece of land over which promoter enjoys legal title by virtue of a registered development agreement entered between the landowner and promoter. In this affidavit share of promoter and landowner is earmarked before registration of project so that scope of future legal disputes could be avoided. Apart from mentioning the numbers of each flat the distribution document also mentions the number of garages/ parking space going into respective share of landowner and promoter.

Q. 22 :What is difference between carpet area and built-up area?

Ans. Carpet area is the area that can actually be covered by a carpet or a net usable area excluding the area covered by external walls, but including the area covered by internal partition walls of apartment, while built-up area is the area that comes after adding carpet area and wall area.

Calculation of carpet area: – Area of bed room + living room + balconies + Toilet the thickness of inner walls.

Calculation of built-up area:- Carpet area + area of walls + area of balconies.

Q. 23 Does the long-term lease hold is excluded from ambit of RERA Act?

Ans.: The wording in section 2 (d) “ has been sold (whether as free hold or lease hold) or otherwise transferred by the promoter” indicates that the long-term lease falls within the ambit of the Act. However, premises given on short terms lease not exceeding five years are not covered under the Act.

Q. 24 If a project has less than five hundred Sq. Mt. but more than 8 (eight) flats(or))if a project has more than five hundred Sq. Mt. but less than 8 flats. Does it require to be registered with the Authority?

Ans. In either of the case, the project is required to be registered.

Q. 25 What is the obligation of the Authority consequent upon the lapse or revocation of the registration?

Ans: Upon lapse of registration or on revocation, the Authority may consult the appropriate Government to take such action as it may deem fit, including carrying out the remaining development work by competent Authority or by the Association of allottees or in any other manner as may be determined by the Authority.

Provided further that in case of revocation of the registration of a project, the Association of the allottees shall have first right of refusal for carrying out of the remaining development work.

Q. 26 Can an allottee be penalized by the Authority?

Ans. Yes. According to section 67 of the Act, if any allottee fails to comply or contravenes any of the order, decisions or directions of the Authority, he shall be liable to the penalty for the period during which such default continues, which may cumulatively extend up to five percent of plot, apartment or building cost as the case may be, as determined by the Authority.

Q. 27 Can a promoter deviate from the sanctioned/approved plan by the competent Authority?

Ans. For any change in the sanctioned map, promoter needs to have consent of at least two-thirds of the allottees.

-----X-----

Frequently Asked Questions for extension of registered Projects.

Q1. Is consent of allottees is required to be submitted at the time of filing application for extension of registration?

Ans.-Yes. If application for extension is filed before the registration has lapsed, consent of majority of allottees is required. However, if extension application is filed after registration has lapsed then consent of at least two-thirds of the allottees is required.

Q2. Is similar consent is required if promoter is making any substantial changes in the sanctioned map of the project after getting approval from the competent authority?

Ans – In such cases consent of at least two thirds of the allottees is compulsory.

Q3. Why revalidated map/reapproved map is required for extension of registered projects?

Ans.-Availability of a valid map of the project would be essential.

Q4 What are the additional documents to be provided by the promoters in the case where two separate firms/companies/individuals come together to form a **Joint Venture** to develop a project?

Ans. The requisite documents regarding **Joint Venture** are as follows:

- a. An affidavit stating that the company " **Name of any one company/firm/individual** " will be responsible for ensuring all compliance as per the RERA Act, 2016, and the Rules and Regulations made there under.
- b. Registration certificate of "Joint venture" issued by the Registrar of the firm / Ministry of Commerce.
- c. Pan card of the Joint venture firm.

Q5 Can we consider water bodies like **Pokhar, Jheel, Nahar, Nala, Aahar, Dagar, Pine etc.** as an access road to the project site?

Ans. Water bodies like **Pokhar, Jheel, Nahar, Nala, Aahar, Dagar, Pine, etc.** cannot be treated as access roads. Map showing water bodies as access roads would not be treated as valid for RERA registration.

By following these FAQs, promoter can easily file online application for the project registration/extension of a real estate project.

-----X-----