

THE DUTIES OF A PROMOTER TOWARDS A BUYER

Chapter III of the Real Estate (Regulation and Development) Act, 2016 (for short “the Act”) deals with the Functions and Duties of Promoter.

I. Under Section 11:

Create webpage

The promoter shall, upon receiving his Login Id and password from the Real Estate Regulatory Authority" (for short “RERA”) create his webpage on the website of RERA and enter all details of the proposed project as provided under sub-section (2) of section 4 including:

- details of the registration granted by the Authority;
- quarterly up-to-date the list of number and types of apartments or plots, as the case may be, booked;
- quarterly up-to-date the list of number of garages booked;
- quarterly up-to-date the list of approvals taken and the approvals which are pending subsequent to commencement certificate;
- quarterly up-to-date status of the project; and
- such other information and documents as may be specified by the regulations made by the Authority.

Advertisement with details

Advertisement or prospectus issued or published by the promoter shall mention prominently the website address of RERA containing all the details of the registered project.

Information to be made available

The promoter at the time of the booking and issue of allotment letter shall be responsible to make available to the allottee the information relating to sanctioned plans, layout plans, along with specifications, approved by the competent authority and stage wise time schedule of completion of the project.

Responsibility till conveyance

The promoter shall be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder till the conveyance of all the apartments, plots or buildings.

Make available the completion certificate

The promoter shall be responsible to obtain the completion certificate or the occupancy certificate, or both, as applicable, from the relevant competent authority and shall make it available to the allottee.

Make available the lease certificate

The promoter shall obtain the lease certificate, where the real estate project is developed on a leasehold land and to make it available to the association of allottee.

Essential Supplies

The promoter 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 allottee

Enable formation of association etc.

The promoter shall 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.

Execute conveyance deed

The promoter shall execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee

Not to mortgage or create charge

The promoter shall not mortgage or create any charge after he executes an agreement for sale for any apartment, plot or building.

Cancellation as per Agreement for Sale

The promoter may cancel the allotment only in terms of the agreement for sale.

Miscellaneous

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

II. Under Section 12:

Compensation for misleading advertising

In case a person incurs a loss because of false advertising, and wishes to withdraw from the project, the promoter must return the amount collected with interest.

III. Under Section 13:

Not to accept advance without agreement for sale

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.

IV. Under Section 14:

Adherence

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.

No alterations

No additions and alterations shall be made in the sanctioned plans, layout plans and specifications and the nature of fixtures, fittings and amenities in respect of the apartment, plot or building without the previous consent of that person who agrees to take one or more of the said apartment, plot or building, as the case may be and without the consent of two-third of the allottees for any other alterations or additions in the sanctioned plans, layout plans and specifications of the buildings or the common areas within the project.

Defect Liability

The promoter is responsible for structural defects or other deficiencies for a period of 5 years from the date of delivery of possession. It shall be the duty of the promoter to rectify such defects without further charge, within thirty days, and in the

event of promoter's failure to rectify such defects within such time, the aggrieved allottees shall be entitled to receive appropriate compensation in the manner as provided under this Act.

V. Under Section 15:

No transfer

The promoter shall not transfer or assign his majority rights and liabilities in respect of a real estate project to a third party without obtaining prior written consent from two-third allottees, except the promoter, and without the prior written approval of the Authority.

On the transfer or assignment being permitted by the allottees and the Authority, the intending promoter shall be required to independently comply with all the pending obligations under the provisions of this Act or the rules and regulations made thereunder, and the pending obligations as per the agreement for sale entered into by the erstwhile promoter with the allottees.

VI. Under Section 16:

Obtain Insurance

The promoter shall obtain all insurances notified by the appropriate government and shall be liable to pay the premium and charges in respect of the insurance.

Handover Insurance documents

All documents relating to the insurance shall be handed over to the association of the allottees.

VII. Under Section 17:

Execute a Registered Conveyance Deed

The promoter shall execute a registered conveyance deed in favour of the allottee and hand over physical possession and other title documents to the allottee within specified period.

VIII. Under Section 18:

Penalty

- If the promoter fails to complete or is unable to give possession of an apartment, plot or building in accordance with the terms of the agreement for sale or, as the case may be, or due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason he shall be liable on demand to the allottees, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation.
- The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under the Act.
- If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under the Act.