

URGENT/ Time Bound

Uttar Pradesh Real Estate Regulatory Authority

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No. **5301** /Finance_Division/UPRERA/2020-21

Date: 16 /07 /2020

To,

All the promoters of Projects registered in U.P. RERA

Sub: Regarding information relating to Designated Separate Account for your project registered in U.P. RERA

Dear Promoter,

The Real Estate (Regulation and Development) Act, 2016 lays down certain obligations on the promoter of a project to ensure fairness and transparency in their dealings with the Allottees, and also empowers the Real Estate Regulatory Authority to ensure compliance of such obligations by promoters and providing for punishment by way of stringent penal consequences for defaults.

Specifically, the Section 4(2) (I) (D) of the RERA Act mainly stipulates -

1. That seventy percent of the money realized from the Allottees of the project from time to time shall be deposited in a designated separate account to be maintained in a scheduled bank to cover the construction and land cost only.
2. That withdrawal of amounts from the designated separate account, to cover the cost of the project, to be in proportion to percentage completion of the project.
3. That such withdrawal of amounts from the designated separate account to be supported by certificates from an Engineer, an Architect, and a Chartered Accountant in practice.

Further the Regulation 3 of The Uttar Pradesh Real Estate Regulatory Authority (General) Regulations, 2019 obligates the promoter to submit these certificates, as per the prescribed forms REG-1, REG-2 and REG-3 respectively, to the banks for getting money from the designated separate account of the project released

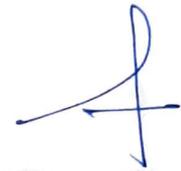
Accordingly, it is mandatory for the promoter of a project to adhere to the Act, rules and regulations made thereunder in respect to operation and management of the designated separate account. Further, Section 38 of the Act empowers the Authority to impose penalty, in regard to any contravention of obligations cast upon the promoters. The punishment for violation of Section 4 of the Act has been provided under section 60 and section 63 of the Act.

Considering the numerous complaints received by the Authority regarding non-compliance of the provisions of Section 4(2) (I) (D) of the RERA Act by the promoters, it has thus been decided to

undertake a verification audit of the designated separate accounts opened for projects registered with Uttar Pradesh Real Estate Regulatory Authority.

Accordingly, the promoters of all the project registered in U.P. RERA are directed to submit online information regarding the details of RERA Project Account and any other bank accounts being utilized for depositing the sale proceeds / project finance availed on the online format provided on www.up-rera.in by logging in through one's login and accessing the format "Format for Information on Designated Separate Account of the Project". The requisite information must be made available online within 15 days of the issuance of this letter.

Non compliance of the above instructions will lead to imposition of penalty under Section 63 of the Act.



(Abrar Ahmed)
Secretary