



MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY

महाराष्ट्र स्थावर संपदा नियामक प्राधिकरण

No. Maha-RERA/LA/32/2017

Date: 11th May 2017

OFFICE ORDER

Government of India has enacted the Real Estate (Regulation and Development) Act 2016 and all the sections of the Act have come into force with effect from May 1, 2017. Government of Maharashtra has also notified the rules under the Act and established Maharashtra Real Estate Regulatory Authority (MahaRERA), vide Notification No.23 dated 8 March 2017, for regulation and promotion of real estate sector in the State of Maharashtra, with its headquarters at Mumbai. MahaRERA, thereafter, has notified Maharashtra Real Estate Regulatory Authority (General) Regulations, 2017 and Maharashtra Real Estate Regulatory Authority (Recruitment and Conditions of Service of Employees) Regulations, 2017

During the online registration process, it has been observed that several promoters enter into arrangement with individuals / organizations, by which the said individuals/organizations are entitled to a share of the total revenue generated from sale of apartments or share of the total area developed for sale. For example, a landowner may handover his land to a promoter and in return be entitled to 20% of the apartments developed or 20% of the revenue generated from sale of apartments or an investor gives money to the promoter at an initial stage of project launch and through an arrangement with the promoter gets entitled to a 20% share of the total area developed, which is constructed by the promoter but marketed and sold by the investor. However, in such scenarios, the sale proceeds to these individuals /organizations should not be considered as cost of the Project and withdrawn from designated Bank Account merely by the virtue of this arrangement. For the purpose of withdrawal from the designated Bank Account, these individuals/organizations should be considered as Promoters and hence shall be termed as Co-Promoters.

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झोपडपट्टी पुनर्वसन प्राधिकरण इमारत,
ए विंग, प्रो. अनंत काणेकर मार्ग,
वांद्रे (पूर्व), मुंबई ४०० ०५१

Since the term Co-promoter is not defined in the Act, Rules or Regulations, it is felt necessary to clearly define the term Co-promoter.

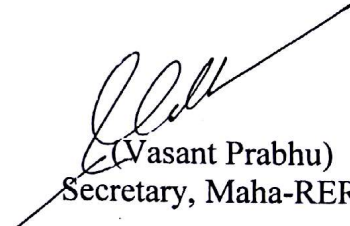
Therefore, in exercise of the powers vested in MahaRERA under Regulation No. 38 of Maharashtra Real Estate Regulatory Authority (General) Regulations 2017, the following definition of Co-Promoter is being notified:-

Co-Promoter means and includes any person(s) or organization(s) who, under any agreement or arrangement with the promoter of a Real Estate Project is allotted or entitled to a share of total revenue generated from sale of apartments or share of the total area developed in the real estate project. The liabilities of such Co-Promoters shall be as per the agreement or arrangement with the Promoters, however for withdrawal from designated Bank Account, they shall be at par with the Promoter of the Real Estate Project.

Further, the arrangement or agreement of Co-Promoter(s) with Promoter should clearly detail the share of Co-Promoter(s) and a copy of the said arrangement or agreement should be uploaded on the MahaRERA portal, at the time of registration, along with other details of the Co-Promoter(s). Such Co-Promoters/Individuals/Organisation should submit a declaration in Form B of Maha-RERA (Regulation and Development) (Registration of Real Estate Project, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017. Further, each of the Co-Promoters/Individuals/Organisation, entitled to share of the total area developed, should open separate bank account for deposit of 70% of the sale proceeds realized from the allottees.

This Order will come into force with immediate effect.

As approved by Hon'ble Maha-RERA


(Vasant Prabhu)
Secretary, Maha-RERA