

Consequences on Expiry of End Date Submitted in RERA

The Real Estate (Regulation and Development) Act, 2016 bounds the promoter to complete the project within the time period declared by it while seeking registration under the Act. The law also prescribes for a facility of seeking extension of time period to complete the project in case the same is not completed within the time specified at the time of registration.

In case the end date of the project expires and the promoter neither applies for extension nor submits proof of completion of project then the project becomes liable for certain penal actions under RERA. The same have been enumerated as under:

Section	Penalties and Consequences
<p>Section. 7.(1)</p> <p>The Authority may, on receipt of a complaint or suo-motu or on the recommendation of the competent authority, revoke the registration granted under section 5, after being satisfied that—</p> <p>(a) the promoter makes default in doing anything required by or under this Act or the rules or the regulations made thereunder;</p>	<p>Section 7(4) The Authority, upon the revocation of the registration,—</p> <p>(a) shall debar the promoter from accessing its website in relation to that project and specify his name in the list of defaulters and display his photograph on its website and also inform the other Real Estate Regulatory Authority in other States and Union territories about such revocation or registration;</p> <p>(b) shall facilitate the remaining development works to be carried out in accordance with the provisions of section 8;</p> <p>(c) shall direct the bank holding the project back account, specified under sub clause (D) of clause (I) of sub-section (2) of</p>

	<p>section 4, to freeze the account, and thereafter take such further necessary actions, including consequent de-freezing of the said account, towards facilitating the remaining development works in accordance with the provisions of section 8;</p> <p>(d) may, to protect the interest of allottees or in the public interest, issue such directions as it may deem necessary.</p>
Section 8	<p>Upon lapse of the registration or on revocation of the registration under this Act, the Authority, may consult the appropriate Government to take such action as it may deem fit including the carrying out of the remaining development works by competent authority or by the association of allottees or in any other manner, as may be determined by the Authority:</p>
<p>Section. 11 (4) The promoter shall—</p> <p>(a) be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder</p>	<p>Section 61.</p> <p>If any promoter contravenes any other provisions of this Act, he shall be liable to a penalty which may extend up to five per cent. of the estimated cost of the real estate project as determined by the Authority.</p>
<p>Section 18</p> <p>This section is applicable in case of delay with respect to date of delivery</p>	<p>Due to delay of project in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to</p>

stated in agreement with buyer but still if the project end date lapses there is a chance of liability under this section through litigation.	<p>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 in the manner as provided under this Act:</p> <p>Due to delay Where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.</p>
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So kindly apply the extension of the project within the time limits as prescribed by the respective authority.

Though RERA restricts extension beyond one year but the courts have ruled that extension beyond one year is possible provided the promoter has a genuine case.

There are further restrictions of not transferring the project to the allottees/association till the promoter obtains the completion/occupancy certificate. A separate list of consequences in this respect may be shared on demand.

For any help regarding extension of your project feel free to contact our team.

Regards

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