



Rajasthan RERA

**Rajasthan Real Estate Regulatory Authority**  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, RSIC Wing, Udyog Bhawan, Tilak Marg,  
C-Scheme, Jaipur-302005 Phone No.: 0141-2851900  
Website: <http://rera.rajasthan.gov.in>

No. F.1(231)RJ/RERA/EA/2021/1914

Date 29.09.2021

**ORDER**

It has come to the notice of the Authority that some banks are not transferring the mandatory 70% amount from Collection Account (the account in which 100% of the money paid by homebuyers of a registered real estate project is collected) into RERA Retention Account (the separate account for that project, into which 70% of the money collected in Collection Account is required to be transferred). This is totally unlawful and violative of section 4(2)(I)(D) of the Real Estate (Regulation and Development) Act, 2016 (hereinafter called 'the RERA Act'), which reads as under:

(D) that seventy per cent of the amounts realised for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose:

Provided that the promoter shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project:

Provided further that the amounts from the separate account shall be withdrawn by the promoter after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project:

Provided also that the promoter shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

Accordingly, it is obligatory both for the promoter and the bank to ensure strict compliance of the above-stated provisions of the RERA Act, which

mandates that 70% of the amount collected from homebuyers of a project is reserved for meeting land and development costs of that particular project; and is, therefore, necessarily required to be transferred into RERA Retention Account of the concerned project. The promoters are allowed to use only 30 per cent of the amount collected from homebuyers for other purposes, like creating a charge in favour of lending banks and financial institutions to repay any loans or creating a revolving fund for the project.

All banks are, thus, obliged under the RERA Act to transfer, from time to time, into RERA Retention Account 70% of the amount that gets collected from homebuyers in Collection Account. Neither the promoters nor the banks can use this 70% share of the homebuyers' money to repay any loans of the bank or other financial institutions, until the project is completed and unused balance of the 70% money accumulated in RERA Retention Account becomes available for such other purposes. If any part of the 70% amount that is statutorily required to be transferred into RERA Retention Account is not so transferred and is directed towards any other purpose, like repayment of a loan, it would amount to misappropriation of the homebuyers' money which was kept in reserve for the completion of the project. Therefore, if it is found that any bank has violated section 4(2)(I)(D) of the RERA Act and is not depositing or is depositing less than 70% of the collected amount into RERA Retention Account, it will be viewed seriously and the Authority may debar such banks from having Collection Account and/or RERA Retention Account of real estate projects registered with this Authority.

All banks are, therefore, advised to comply with the aforesaid provisions of section 4(2)(I)(D) of the RERA Act and transfer, without any exception and without any delay, into RERA Retention Account of the project not less than 70% of the homebuyers' money that gets collected, from time to time, in Collection Account of the project. It is best if this transfer happens automatically as soon as any amount is credited in Collection Account, otherwise it must be effected on daily basis and latest within T+2 days.

This issues with the approval of Hon'ble Chairman of the Authority.

By Order,

  
(Ramesh Chandra Sharma)  
Registrar

Copy for information and necessary action:-

1. Convener, State Level Bankers Committee, Rajasthan & General Manager, Bank of Baroda, Regional Office, IV Floor, Baroda Bhawan, Plot No. 13, Airport Plaza, Durgarpura, Tonk Road, Jaipur-302 018, with a request to circulate this order to all banks in the State of Rajasthan
2. All promoters (through their dashboard)
3. Rajasthan RERA Website
4. Chairman/President, Confederation of Real Estate Developers' Associations of India (CREDAI) Rajasthan, 424, 4th Floor, Laxmi Complex, MI Road, Jaipur- 302001
5. Chairman/President, Confederation of Real Estate Developers' Associations of India (CREDAI) NCR Bhiwadi Neemrana, E-127, Industrial Area, Bhiwadi, Alwar-301019
6. President, Township Developer Association of Rajasthan (TODAR), Prim Pavilion, E-66, Nakul Path, Lal Kothi Scheme, Jaipur – 302015
7. Chairman/President, Rajasthan Affordable Housing Developers Association (RAHDA) S-220, Time Square, Central Spine, Vidyadhar Nagar, Jaipur
8. Vice Chairman, RAJREDCO, Jaipur
9. Chairman, All India Federation of Tax Practitioners (CZ), c/o Shri Pankaj Ghiya, 10, Ganesh Colony, Bhairav Path, JLN Marg, Jaipur-302004
10. Chairman, Jaipur Branch, ICAI Bhawan, D-1, Institutional Area, Jhalana Doongri, Jaipur - 302004
11. Chairman, RERA Committee, Tax Consultant Association, Jaipur, 801-803, 8th Floor, Signature Tower, DC-2, Behind Apex Bank, Tonk Road, Jaipur-302015
12. President, RERA India Educational & Resources Federation, 6F- 42 & 43, Mahima Trinity Mall, Plot No. 5, Swage Farm, New Sanganer Road, Jaipur-302019
13. Chairman, The Indian Institute of Architects, Rajasthan Chapter, 400, F-72, 'Suryoday', Subhash Marg, Bagadiya Bhawan, C-Scheme, Jaipur-302001
14. Chairman/Secretary, Rajasthan Realtors Association (RRA), 308, 3<sup>rd</sup> Floor, Plot No. 1, Felicity Tower, Sahakar Marg, Lal Kothi, Jaipur- 302005
15. Chief Editor, RERA Times, Ghiya & Company, E-68, Ghiya Hospital Complex, Sector-12, Malviya Nagar, Jaipur-302017
16. PS to Chairman, Rajasthan RERA
17. PS to Member (Sh. Shailendra K. Agarwal), Rajasthan RERA
18. PS to Member (Sh. Salvinder Singh Sohata), Rajasthan RERA
19. PS to Adjudicating Officer, Rajasthan RERA
20. PS to Registrar, Rajasthan RERA
21. SA, DoIT & RISL Sh. Mukesh Arora
22. Coordinator, Conciliation Forum, Rajasthan RERA
23. All officers of Rajasthan RERA
24. Guard File.

  
Registrar