



KERALA REAL ESTATE REGULATORY AUTHORITY

**Trinity Centre, Opposite Chaithanya Eye Hospital,
Kesavadasapuram, Thiruvananthapuram. Pin- 695 004**

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No. K-RERA/T1/512/2025

Dated: 03.03.2025

ORDER

Sub: Restriction on mortgaging or creating any charge on registered projects after execution of agreements for sale with allottees – Reg.

The Kerala Real Estate Regulatory Authority hereby issues a directive to all real estate promoters of the registered projects in order to reiterate their legal obligation under Section 11(4)(h) of the Real Estate (Regulation and Development) Act, 2016. As per the said provision, once a promoter executes an Agreement for Sale with an allottee for an apartment, plot or villa, they shall not mortgage or create any charge on the said apartment, plot or villa. Furthermore, if such a mortgage or charge is created, it shall not affect the rights and interests of the allottee, notwithstanding anything contained in any other law in force.


Accordingly, the Kerala Real Estate Regulatory Authority (K-RERA), in the exercise of its powers under Section 37 of the Real Estate (Regulation and Development) Act, 2016, hereby directs as follows:

1. Promoters shall not mortgage or create any charge on individual apartments, plots, or buildings after executing an Agreement for Sale with allottees.

2. Protection of allottees' rights: Any mortgage or charge created on such units, notwithstanding anything contained in any other law in force, shall not affect the rights and interests of the respective allottees.
3. Mandatory disclosure of charges: Promoters availing project loans before the execution of Agreements for Sale with allottees shall mandatorily disclose such details in the Agreement for Sale. Upon redemption of such charges, the relevant details along with the encumbrance certificate shall be uploaded to the web portal of the Authority.
4. Compliance with the provisions by the Banks/credit institutions: Financial institutions sanctioning loans to promoters by creating charges on registered projects are advised to exercise due diligence and ensure compliance with Section 11(4)(h) of the Act, 2016 before approving the loans applied by the promoters.
5. Enforcement and penalties: Any violation of these directives shall be considered a contravention of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made there under. The Authority is empowered to impose penalties on defaulting promoters under Section 61 of the Act, 2016.

This order shall come into force with immediate effect and shall be binding on all registered promoters under K-RERA.

Sd/-
Chairperson (In-charge)

True Copy / Forwarded by / Order

Secretary (Technical and Administration)