

## MahaRERA issues directions on maintenance and operation of bank accounts for projects.

The Maharashtra Real Estate Regulatory Authority ("MahaRERA"), in continuation of related Orders and Circulars, passed Order No. 56/2024 dated June 27, 2024 bearing Ref. No. MahaRERA/Secy/FileNo.27/399/2024 ("Order") regarding the maintenance and operation of project bank accounts, with effect from July 1, 2024. The Order issues directions to promoters and banks with respect to payments received from allottee(s).

### A. Directions issued to Promoters:

The Order mandates promoters to open 3 (three) accounts in a single scheduled bank before applying for project registration with MahaRERA: (1) RERA Designated Collection Bank Account; (2) RERA Designated Separate Bank Account; and (3) RERA Designated Transaction Bank Account (collectively "Accounts").

#### 1. RERA Designated Collection Bank Account:

- This account is to be used by the promoter to receive all payments from the allottees as specified in the Agreement for Sale, which includes charges for parking, amenities, and other fees, and excludes direct and indirect taxes, as well as pass-through charges.
- For projects with multiples promoters who are entitled to Area Share, each promoter shall open the Accounts in the same scheduled bank.
- Alternatively, projects with multiple promoters entitled to Revenue Share require a Designated Promoter to open a RERA Designated Master Account. All funds collected from allottees will first go into this master account and then be transferred to each promoter's individual collection account as per their share.
- No mode of transfer, debit or withdrawal from collection account / master account, other than auto-switch is permitted.
- The particulars of collection account / master account are to be furnished in the allotment letter and agreement for sale.

#### 2. RERA Designated Separate Bank Account:

- 70% of the amounts received in the collection bank account are to be deposited in this separate account.
- These amounts are to be used solely to cover costs incurred to the project, being (i) land costs; (ii) development / construction costs; (iii) interest of loans; and (iv) refund / cancellation amounts to be paid to allottees, all in accordance with rules / circulars / regulations previously prescribed.
- This account is to remain unencumbered, should not be an escrow account and cannot be attached by government authority / body without MahaRERA directions.



- Excess monies in this account may be invested in fixed deposits in the same bank.
- #### 3. RERA Designated Transaction Bank Account:
- The balance 30% of the amounts credited to the designated collection account are to be further deposited to this transaction account.
  - These amounts are to be used for expenses other than those directly related to land and development costs such as cancellation / refund amounts beyond those paid through the designated separate account, entire interest / compensation payable to allottees, and penalties imposed by MahaRERA.

In furtherance of the above, the Order also provides specific directions with respect to nomenclature of the Accounts, appointment of Designated Promoter, relevant declarations and their formats, limit on withdrawals, change of banks, closure of accounts and other related terms and conditions.

### B. Directions issued to Banks:

The Order requires banks where Accounts are opened to follow specific instructions. This includes notifying promoters about opening the Accounts as per nomenclature, allowing transfers and withdrawals only as specified, and prohibiting the issuance of cheque books, debit cards, or net banking for collection accounts and master accounts. Banks must also suspend withdrawals and transfers from accounts if project registrations expire, unless an extension has been granted.

This Order shall enable MahaRERA to safeguard consumer interests, ensure compliance, achieve uniformity in operation of project accounts and standardize legitimate fund utilization.

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