



# MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY

## महाराष्ट्र स्थावर संपदा नियामक प्राधिकरण

Circular No. 5 /2017

MahaRera/Secy /Rile.No.27/109,  
Date: 28/06/2017

### **Subject: Clarifications on Operating Designated Bank Account.**

Whereas the Chairperson, MahaRERA is vested with the powers of general superintendence and directions in the conduct of affairs of the authority under section 25 of the Real Estate (Regulation and Development) Act, 2016 (RERA).

The following clarifications are issued with respect to withdrawal of amounts deposited in separate account:

- 1) The provisions of Rule 5(1)(i)(b) of Maharashtra Real Estate (Regulation and Development)(Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017 applicable to new projects shall also apply *mutatis mutandis* to ongoing projects.
- 2) In Form 3 of the Maharashtra Real Estate Regulatory Authority (General) Regulations 2017:
  - a. All cost items should be mutually exclusive. There should not be any double counting of costs.
  - b. The Development Cost / Cost of Construction of the project should not include marketing and brokerage expenses towards sale of apartments. Such expenses, though part of the project cost, should not be borne from the amount that is required to be deposited in the designated separate account.
  - c. In Form 3, field 1(ii)(c), only interest payable to financial institutions, scheduled banks, non-banking financial institution (NBFC) or money lenders on construction funding or money borrowed for construction should be added to total cost of construction. The principal sum should just be mentioned in the Form for

information purpose. The Principal sum should not be added to the total cost of construction as this cost is already included in 1(ii) (a).

Projects already registered or applied for registration with MahaRERA before issuance of this circular, may not have factored in the above clarification while preparing estimated costs. For such projects, MahaRERA does not expect the estimated costs to be reworked. However, while reporting incurred amount in quarterly updates, the abovementioned considerations should be taken into account.

By the approval of Chairperson/MahaRERA



Secretary MahaRERA