

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 1039
TO BE ANSWERED ON JUNE 27, 2019**

PROTECTION OF INTEREST OF FLAT BUYERS

**NO. 1039 SHRI GAJANAN KIRTIKAR:
 SHRI BIDYUT BARAN MAHATO:
 SHRI SUDHEER GUPTA:**

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

- (a) whether the Government has taken stringent measures to protect the interest of flat buyers and control the builders in the country;**
- (b) if so, the details thereof; and**
- (c) the steps taken by the Government for providing timely possession of flats booked by the people in the country?**

ANSWER

**THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE
MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI HARDEEP SINGH PURI)**

(a) to (c): Real Estate (Regulation and Development) Act, 2016, (RERA) has been enacted to protect the interests of homebuyers. RERA provides for various provisions in the interest of homebuyers such as compulsory deposit of seventy percent of amount realised for a real estate project from allottees in a separate bank account to cover the cost of construction & land cost and mandatory registration of the real estate project before advertising, marketing, booking, selling etc.

RERA mandates the promoter to declare the time period within which, real estate project has to be completed. Promoter is liable for refund of amount, with interest and compensation, in case developer fails to complete or is unable to give possession of apartment, plot, building to homebuyers; as per the terms of the agreement for sale.

RERA also provides for punishment upto 3 years imprisonment or with fine, which may extend up to ten percent of the estimated cost of the real estate project, or with both, in case the promoter fails to comply with the orders, decisions or directions issued by Real Estate Regulatory Authority or Real Estate Appellate Tribunal.
