

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UN-STARRED QUESTION NO. 1113

ANSWERED ON MONDAY, FEBRUARY 8, 2021/ MAGHA 19, 1942 (SAKA)

**RELIEF TO HOME BUYERS
QUESTION**

1113. DR. BHARATI PRAVIN PAWAR:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कॉरपोरेट कार्य मंत्री

- (a) the details of action being taken by the Government to provide relief to the homebuyers whose money is stuck up in the real estate projects;**
- (b) the details of number of real estate projects lying incomplete in the country and the number of homebuyers whose money is stuck in these projects;**
- (c) whether the Government has taken cognizance that the homebuyers are facing difficulty in repaying the bank loans due to these incomplete real estate projects, if so, the details thereof; and**
- (d) whether the Government proposes to formulate any policy to protect the interests of such homebuyers and if so, the details thereof?**

ANSWER

**THE MINISTER OF STATE FOR
FINANCE AND CORPORATE AFFAIRS**

वित्त एवं कॉरपोरेट कार्य मंत्रालय में राज्य मंत्री

(SHRI ANURAG SINGH THAKUR)

(श्रीअनुराग सिंह ठाकुर)

(a) to (d): The Government in the Ministry of Corporate Affairs (MCA) administers the provisions of the Companies Act, 2013 and the Limited Liability Partnerships (LLPs) Act, 2008 and the Insolvency and Bankruptcy Code (IBC), 2016. Information regarding relief to home buyers is not maintained by MCA. However, allottees in the real estate projects are considered as financial creditors under the Insolvency and Bankruptcy Code, 2016. This entitles them to initiate insolvency proceedings and submit claims in an insolvency proceedings and join the committee of creditors.

However, Ministry of Housing and Urban Affairs (MoH&UA) has informed that in order to protect the interest of homebuyers, MoH&UA has enacted the Real Estate (Regulation and Development) Act, 2016 (RERA).

As per Section 20 of the RERA, the 'Appropriate Government' i.e. the States/Union Territories (UTs) are required to establish the Real Estate Regulatory Authority to regulate and promote the real estate sector in the respective States/UTs.

As per the provisions of RERA, real estate projects and real estate agents are required to get registered with the Real Estate Regulatory Authority of the concerned State/UT before advertising, marketing, booking, selling in any manner. Real Estate Regulatory Authority is required to maintain a website, containing relevant details of all registered real estate projects and publish these details for public viewing.

RERA provides for compulsory deposit of seventy percent of the amount realised from allottees in a separate bank account to cover the cost of construction and land. It also mandates 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 he fails to complete or is unable to give possession of apartment, plot, building to home buyers as per the terms of the agreement for sale.

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

For redressing the grievances/complaints/applications of homebuyers, RERA provides for an Adjudicating Officer, Real Estate Regulatory Authority and Appellate Tribunal and provides a robust mechanism for the purpose.

Section 34 of RERA also enables the Real Estate Regulatory Authority to maintain a database, on its website, for public viewing, and enter the names and photographs of the defaulting Promoters, or the promoters who have been penalised under the Act, with reasons therefor, and the details of the projects for which registration has been revoked, for access to the general public.

Further, 'Land' and 'Colonisation' are state subjects. So Ministry of Housing and Urban Affairs does not maintain data on housing projects.
