

CHARTERED ACCOUNTANTS

MR. VIMAL C. PUNMIYA
B. Com., LL. B. (Gen.) F.C.A.

MRS. DIMPLE N. PUNMIYA
B. Com., A.C.A.

ADVOCATES

MR. NIRAJ V. PUNMIYA
B. Com., LLB.

MISS. AARTI V. PUNMIYA
B. Com., LLB.

VIMAL PUNMIYA & CO.

CHARTERED ACCOUNTANTS

501 NIRANJAN, 99 MARINE DRIVE, MUMBAI - 400 002.
PHONES : 2281 0635, 2281 3415
FAX : 2281 8267 • CELL : 98219 36314
Email:vimalpunmiya@gmail.com / nirajvp@rediffmail.com

**FEDERATION OF ACCOMMODATION INDUSTRY OF INDIA
MEETING AT HOTEL DIPLOMAT, ON:-
WEDNESDAY, 26TH SEPTEMBER, 2012 AT 7 P.M.
MUNICIPAL POLICY ON PROPERTY TAXES.**

1. New System of Property Taxes will be applicable with effect from 01.04.2010. in the present system, the property tax is based on Rateable Value fixed at the time when the building receives its occupation certificate and the same does not changes till the building is re-developed and/or is given on Rent. But however, the percent of Property Tax goes up and as a result the rate of Property Taxes varies from 58% to 315%.
2. There is different rates chargeable to Non-Agricultural Land, Building under construction and Building ready for occupation (such as Flats, Office, industrial Galas, Godowns, shops, etc.) depending on the market value of property as per Ready Reckoner of Stamp Duty published by the Government of Maharashtra.
3. Once the Property Tax is fixed for a property, the same would be applicable for the next 5 years from the date of application.
4. If the Property tax as per the new system is much higher than the Property tax as per the old system, then the Society or the owner would have the option to write to the Municipal Corporation. The same cannot be more than double in the case of the Residential Property and three times in the case of a commercial property. The increase in the Property Tax after 5 years from the date of application cannot be more than 40% for the next 5 yrs. The same would not be applicable in the case of New Building.
5. The same rate of property tax would be applicable whether the property is self-occupied or given to others on the basis of Tenancy, leave and license, lease, caretaker, Business centre, etc in the present system. The same is approved by the Assembly and will be incorporated in the New System. The Officers of BMC have so much of powers that in the case of a let-out property, the Property tax can vary from 35% to 60%. In Pune, Kolkatta, Delhi, the Property tax is double of the normal property tax if the property is given on Tenancy, leave and license, etc.

6. Concessional rates will be applicable to Charitable Organizations such as School, Hospitals, Temples, etc.).
7. In the case Government Offices for Central as well as State, Foreign Embassies, etc, the property tax will not be on concessional basis in the case of a new building. However, the old building would enjoy a rebate from 5% to 75% depending on the age of the Building. But the after rebate value cannot be less than the value of the land plus the construction cost.
8. The New system of property tax is transparent and even the property owner can calculate the property tax payable by referring to the Stamp Duty Ready Reckoner. Hence, there would be less corruption.
9. As per the New System, the rates of property tax would be reduced in the Suburbs and increased in South Mumbai depending on the age of the building, floor, type of construction, etc payable on the Market Value of the property calculated as per Stamp Duty Ready Reckoner.
10. If the area of the Residential property is less than 500 sq. ft. (carpet area) then there would be no increase in the Property tax payable. Hence, the New System of property tax would not affect 70% of the Mumbaikars for atleast 5 yrs from the date of application.
11. If the property is lying vacant (i.e. if it is not in use) then the property owner can apply to the BMC and the property tax will be 40% for the normal property tax payable.
12. Further, the Property tax would be payable on the Built-up area of the property.

CHARTERED ACCOUNTANTS

MR. VIMAL C. PUNMIYA
B. Com., LL. B. (Gen.) F.C.A.

MRS. DIMPLE N. PUNMIYA
B. Com., A.C.A.

ADVOCATES

MR. NIRAJ V. PUNMIYA
B. Com., LLB.

MISS. AARTI V. PUNMIYA
B. Com., LLB.

VIMAL PUNMIYA & CO.

CHARTERED ACCOUNTANTS

501 NIRANJAN, 99 MARINE DRIVE, MUMBAI - 400 002.
PHONES : 2281 0635, 2281 3415
FAX : 2281 8267 • CELL : 98219 36314
Email: vimalpunmiya@gmail.com / nirajvp@rediffmail.com

LATEST FDI POLICIES

**MONEY DOESN'T GROW ON TREES,
THIS CRISIS WAS NEARLY AS BAD AS 1991 WHEN GOLD WAS PLEDGED: PRIME
MINISTER.**

How will FDI in Retail Sector Benefit?

- Entry of global retail giants such as Wal-mart is likely to see new investment.
- In the Short run it has the potential to add **3-4 million** new jobs. Another **4-6 million** jobs could be created in logistics, contract labour, house-keeping and security.
- Expected to help develop logistics, cold chains, warehouses.
- Govt. revenue could get an additional **\$24-30 billion** through various taxes.
- Helps **reduces wastage** of vegetables and other perishable and help in taming inflation.
- For consumers it could mean savings of 5-10%
- May help farmers get **10-30%** higher remuneration.
- Add to economic growth.

SINGLE-BRAND RETAIL

- Govt has allowed **100% fdi** in single-brand retail.
- The foreign investor should be the owner of a "single brand" only.
- Products should be sold under the same name in one or more countries other than India.
- **Sourcing of 30%** of the value of goods purchased will be done from India preferably from small and medium units, village and cottage industries, artisans and craftsmen.
- Quantum of sourcing to self certified, to be checked by statutory auditors.
- Retail trading, in any form, **through e-commerce not allowed.**

MUTI-BRAND RETAIL

- Govt allows **51% FDI** in multi-brand retail.
- Minimum amount to be brought in as FDI by the foreign investor would be **\$100 million.**
- At least **50% of total FDI** to be invested in back-end infrastructure in three years.
- At least **30% of the value** of pronucement of manufactured/processed products shall be sourced from Indian small industries which have a total investement in plant and machinery **not exceeding \$1 million.**
- Retail sales outlets any be set up only in cities with a **population of more than 10lakh** as per 2011 census and may cover **an area of 10km** around the municipal/urban limits of such cities.
- Retail trading in any forms, by means of e-commerce would not be allowed.
- Fresh farm produce, including fruits, vegetables, flowers, grains, pulses, fresh poultry, fishery and meat products, may be unbranded.
- Govt. will have the **first right** to procure farm products.

CHARTERED ACCOUNTANTS

MR. VIMAL C. PUNMIYA
B. Com., LL. B. (Gen.) F.C.A.

MRS. DIMPLE N. PUNMIYA
B. Com., A.C.A.

ADVOCATES

MR. NIRAJ V. PUNMIYA
B. Com., LLB.

MISS. AARTI V. PUNMIYA
B. Com., LLB.

VIMAL PUNMIYA & CO.

CHARTERED ACCOUNTANTS

501 NIRANJAN, 99 MARINE DRIVE, MUMBAI - 400 002.

PHONES : 2281 0635, 2281 3415

FAX : 2281 8267 • CELL : 98219 36314

Email:vimalpunmiya@gmail.com / nirajvp@rediffmail.com

FEDERATION OF ACCOMMODATION INDUSTRY OF INDIA

MEETING AT HOTEL DIPLOMAT, OM:-

WEDNESDAY, 26TH SEPTEMBER, 2012 AT 7 P.M.

EFFECT OF THE MAHARASHTRA HOUSING BILL 2012:

HIGHLIGHTS

Objectives:

- * To repeal MOFA 1963, from the appointed day (Sec.56)
- * To provide relief to flat purchasers against malpractices and difficulties.
- * To establish a Housing Regulatory Authority and Housing Appellate Tribunal.
- * To remove information asymmetry by ensuring full disclosure and compliance.
- * To usher in transparency and
- * To promote planned and healthy development.
- * To facilitate smooth and speedy construction and maintenance.

Sec. 3 Disclosures to be made by Promoter

- * A Promoter who intends to construct or is constructing or constructs a block or building or flats which is not for personal use, shall in all transactions be liable to give or produce the information and the documents specified and as may be prescribed. (Flat is defined in section 2(a) as including residence, office, showroom, shop or godown).
- * This refers even to "is constructing", i.e. all ongoing constructions, even though they may have begun earlier.
- * (a) Promoter shall make full and true disclosure of the title, which should have been certified and which should have been duly entered in the property card or Village forms VI or VII and XII or any other relevant revenue record.
- * If land is owned by another, the registered copy of the agreement or Power of Attorney shall also be disclosed.

..2..

- * (b) All encumbrances and rights of others to be disclosed.
- * (c) Full and true disclosure of Promoter's enterprise details, such as name, registered addresses, type of entity, registration details etc.
- * (d) Names and addresses of architects, structural Engineers and turn-key contractors, if any, retained shall be disclosed. (Therefore, by implication, if there is more than one contractor, ie. no turn-key contractor, then their details need not be disclosed).
- * (e) disclose the information relating to number and size of flats, layout plan, car pet area, utility area, FSI/TDR/additional FSI consumed, limited common area and facilities and common area and amenities and facilities of the lay out proposed.
- * (f) Give inspection with 7 days notice or demand of the plans/structure, design and specification, duly certified by an Architect till they are approved; and after approval, such approved plans and specifications.
- * (g) to disclose the building-wise time schedule of completion of the phase of the project, which shall always be subject to force majeure event.
- * (h) Disclose the time schedule for connecting the project with the Municipal services, such as sewerage, water supply, electricity, drainage etc. but subject to force majeure.
- * (i) disclose the nature of fixtures and fittings with regard to the flooring and sanitary fittings, lifts, brand of the items of fixtures, fittings and lifts if they are branded, or otherwise price range of the items if not branded.
- * (j) disclose on reasonable notice or demand, if the Promoter is the builder, the design, type of concrete, materials used, technology such as pre-fab, pre-cast, earthquake resistant etc. If the Promoter is not himself a builder, disclose agreements with architects, structural engineer and only turn-key contractors regarding design materials and construction.
- * (k) specify in writing the date by which possession is to be handed over.
- * (l) Prepare and maintain a list of flats with members.
- * (m) prepare and maintain the list of parking spaces provided or to be provided.
- * (n) state in writing the nature of the organization to which title is to be passed and the terms and conditions thereof.

..3..

- * (o) Display or keep all the documents at the site and at the promoter's registered office and permit inspection thereof to persons intending to take flats.
- * (p) Disclose name and addresses and contact numbers of authorised agents, being dealers, brokers or middlemen by whatever named called.
- * (q) Give such other information and documents as may be prescribed.

Sec. 3(2) In case of a layout, in addition, the Promoter shall disclose:

- (a) The phase-wise layout of the housing project.
- (b) The plan of the phases of the development work in which flats for sale are marketed in the housing project.
- (c) Details of common areas, amenities and facilities.
- (d) Aggregate area in sq. meters of the parks, recreational ground, garden and playgrounds.

Sec. 4(1) Every promoter shall make an application to HRA for registration of its project and for displaying the project on the website of the HRA and shall pay the fees.

Provided that no registration and display shall be required for the following:

- (i) If land in a project or phase is upto 250 sq.mt.
- (ii) When the total number of flats or apartments proposed to be developed into the project including all phases is less than 5.
- (iii) Where the Promoter has received D.C. prior to this section coming into force.
- (iv) Where the project is for renovation, repair or reconstruction or redevelopment project which does not involve fresh or new allotment of flats or marketing or sale.

Explanation:

- (i) For the purpose of this Act, where any project is proposed to be marketed and sold in phases then every such phase shall be considered an independent project.
- (ii) If a single purchaser of all the flats in a project registered by HRA intends to dispose of such flat by sale or otherwise, then such single purchaser shall again be able to register and display the project under this Act.

..4..

..4..

Sec. 4(2) the Promoter shall include documents as under :

- (a) Self or architect's authenticated copy of the proposed development of the project.
- (b) Approval and sanction from the local authority. This must be uploaded within 72 hours of obtaining the same from the local authority.

Sec. 4(3) The HRA shall within 7 days of receiving an application register and allot a password to the Promoter for access to the website of the HRA.

Sec. 5 No transaction including sale or marketing to be done without registration of the project and display of such flats on website.

For ongoing projects where the O.C. is yet to be obtained, a Promoter shall make an application to HRA for registration within the prescribed period.

Sec. 6 The Promoter shall, on receiving the password from the HRA through a system of self entry access the website and enter the details within the prescribed period.

Sec. 7(1) Cancellation of registration in the event it is finally declared by a Court of Law that the agreement under which the Promoter derives the right to the land, is invalid.

(2) Upon issuing the order of cancellation, HRA shall debar the promoter from accessing the website in respect of the cancelled project.

Sec. 8 No promoter shall issue or publish an advertisement or prospectus offering for sale or otherwise any flat or invite advance payment or deposits without displaying on the HRA website.

Sec. 9(1) Upto 20% advance can be accepted by the Promoter.

Registration of Agreement compulsory to accept more than 20%

(2) Agreement to contain particulars and have documents attached.

Particulars

- (i) Construction to be in accordance with plans and specifications.
- (ii) Date of possession.
- (iii) Carpet area.
- (iv) Extent of utility area and independent area.
- (v) The price of the flat including proportionate price of the limited common area and facilities and parking spaces which should be shown separately to be paid by the purchasers and the intervals for instalments.

..5..

- (vi) Allotment of fixed parking spaces to purchasers provided that no parking spaces are allotted in minimum parking space.
- (vii) Nature of organization to be constituted.
- (viii) Nature, extent and description of limited common areas and facilities.
- (ix) Aggregate area of parks, recreational ground, garden and playground proposed in the layout.
- (x) Nature and extent and description of common area and amenities and facilities of layout.
- (xi) Statement of use for which the flat is intended and registration of use.
- (xii) Percentage of undivided interest in the limited common area and facilities.

Documents and certificate of Title

- (i) Certificate of title by an Advocate.
- (ii) Property Card or Village forms.
- (iii) Plans and specifications approved.

Section-9(3) - Agreement for Sale must be registered

If the person who has executed does not appear before the Registration Officer, a summons shall be issued under section 36 of the Registration Act requiring the executants to appear either in person or by duly authorized Power of Attorney holder. If the executants fail to appear, the document shall be deemed to be admitted and shall be registered. If the executants appear but deny execution, there shall be a hearing and the Registrar may register or not.

Section 10- Effect of non-registration

If an agreement remains unregistered, then notwithstanding anything contained in any law of judgement, decree or order, it may be received as evidence of a contract in a suit for specific performance under the Specific Relief Act, 1963 or as evidence of part performance of a contract or as evidence of any collateral transaction not required to be effected by registered instrument.

Section 11- Responsibility of Promoter regarding veracity of advertisement

If a person makes an advance or a deposit on the basis of an advertisement and sustains any loss by reason of any wilful untrue statement, he shall be compensated by the Promoter.

If the purchaser withdraws from the project on account of wilful untrue statement, the investment shall be returned alongwith interest at the prescribed rate but not exceeding 15% p.a.

..6..

Section 11(2)- Promoter shall take all measures including as provided in Schedule 1 for protection and safety of the building.

Section 11(3)(a)- Promoter must obtain OC or BCC and give a copy to the flat purchasers individually or to the co-operative society etc.

Section 11(3)(b)- Promoter shall not allow persons to take possession until the OC or BCC is given and no person shall take possession until then.

Section 11(4)- After possession of the flat is handed over to the purchaser, he " shall not be permitted to carry out any additions or alterations in the flat" and " the promoter shall not be responsible if additions and alterations are done in the flat" by the purchaser " in violation of the Building Regulations".

Section 11(5)(i) and (ii)- Essential services such as water supply, electricity, light in passages, lift, sanitary services shall be provided and such services shall not, except with notice, be cut off or curtailed. Responsibility is of service provider. Promoter shall not be responsible.

Section 11(5)(iii)- Details of essential supplies and services shall be kept by the Promoter in the form of a statement and made available to the purchasers.

Section 11(6) - Redevelopment Project- This Act shall apply only to open market sales and not for rehab flats, which shall be governed under other regulations such as MHADA or ERA.

Section 12- The Promoter shall have a building-wise separate account in a Bank including for share capital, outgoings, taxes, water charges etc. and shall hold the sums for the purposes for which they were given and shall make full disclosure of all transactions to a State Government Officer.

The Promoter shall also follow the instructions in Schedule 2.

Accounts must be audited by a Chartered Accountant.

Section 13 - Outgoings Promoter may collect from purchasers for payment of outgoings and it shall be promoter's responsibility to pay the outgoings until he transfers the property to the purchasers or to the organization of such persons. If he has not paid, he shall continue to be liable even after the transfer of property, to pay such outgoings of payment charges and penal charges and shall be responsible for legal proceedings.

Section 14(i)- No alterations or additions without consent after plans are disclosed, in single building:

(a) Any alteration in the structure in respect of any flat requires consent of that purchaser;

..7..

(b) Any additional floors or wings- consent of all persons or purchasers in the building or wing. However, no consent for charges required by Government.

(2)(a) Layout or township-

(i) Any alteration of a flat-consent of that purchaser.

(ii) Any additional floors or wing- consent of all purchasers in that building or wing.

(b) Layout including recreation grounds etc. can be amended in accordance with the DC Regulations for the utilization of the full development potential

(c) In case of development under a layout or township, the Promoter shall be entitled to further construction of any new building. However, the promoter shall not reduce the approved compulsory open spaces or the aggregate area of parks without the consent of all purchasers.

Section 15- Defects to be rectified within three years. Disputes to be referred by HRA to the Executive Engineer or a higher officer of State Government.

Section 16- Refund with interest for failure to get possession

If the Promoter (a) fails to give possession of a duly completed flat by the dates specified or a further agreed date; (b) for reason beyond his control for three months thereafter or further three months in certain circumstances, then the promoter shall be liable on demand (but without prejudice to any other remedies) to refund the amounts together with interest at the prescribed rate (not exceeding 15%) and the amounts and the interest shall be a charge on the flat, but subject to any prior encumbrances.

Section- 17- No mortgage etc. No promoter shall execute an Agreement of Sale without the previous consent of the purchaser and mortgage a flat and if any such mortgage is created, it shall not affect the rights and interest of such persons.

Section 18(1)- Promoter to form co-operative society/company/apex body/federation

If single building- Promoter shall apply for registration of Co-op. Society or company or other body within four months from the date of the DC or if minimum 60% of the flat purchasers have taken possession and the promoter has received full consideration for the same, whichever is earlier.

..8..

(2)(a) If layout- separate Co-op. Societies or companies etc. for each building or wing, to be applied for within four months from the date of the OC or possession given to 60% of flat purchasers, whichever is earlier.

Section 18(2)(b)- Promoter shall register an apex body of federation in respect of layout, in the prescribed period.

Section 18(3)- Apex body or federation shall administer and maintain common areas. Member societies shall independently retain control of the internal affairs and administration of each building.

Section 18(4)- If Condominium, then the Registrar of Co-op. Societies must be informed.

Section 18(5)(a)- If promoter does not apply to register a society for apex body, the Competent Authority may direct the Registrar of Co-op. Societies to register the society.

Section 18(b)- Before giving a direction to form a society or apex body or apex body or federation, the Competent Authority must verify the authenticity of the applicants and give the Promoter a hearing.

Section 19(1)- Promoter shall normally execute the Conveyance within four months of formation of society or company.

In the case of condominium, a Deed of Apartment shall be executed within four months of possession.

Section 19(2)- Layout Conveyance shall only be in respect of the structures of the buildings in which a minimum number of 60% of the flats have been sold, alongwith FSI consumed in such building, subject to the right of the promoter to dispose of the remaining flats, if any, and receive the entire consideration due. The Conveyance shall be subject to the right to use the internal access Roads, recreation area developed in the layout and the open spaces allotted to such buildings.

Provided that, notwithstanding anything contained in this Act or in any agreement or judgement or other law or act, the Promoter shall be entitled to develop and continue to develop the remaining layout land with the right to use the internal access roads and all the facilities, amenities, services etc. in the layout and to construct any additional structures thereon by consuming the balance FSI and TDR-FSI and in future increases.

However, subsequent to Conveyance if there is an increase in FSI, then it shall belong proportionately to the organization of flat purchasers. It shall not be necessary for the promoter to obtain any consent and/or permission from the organization in the said layout land, to utilize FSI and/or TDR-FSI and/or additional FSI.

..9..

Section 19(3) - Conveyance to apex body within prescribed period.

Section 19(4) - Promoter shall file with the Competent Authority a copy of Conveyance. If the Conveyance is not executed, the purchasers or the society etc. may apply to the Competent Authority for a unilateral deemed Conveyance and the same may be registered.

Section 19(5) and (6) - Within six months of an application, the Competent Authority may certify that it is a fit case for enforcing unilateral execution of Conveyance Deed and shall issue a certificate to the Sub-Registrar, who shall register it.

An appeal may be filed against the order of the Competent Authority to the Housing Appellate Tribunal (HAT) within 60 days.

Section 19(7) - Upon the Conveyance or unilateral deemed Conveyance, the organization shall be entitled, in any reconstruction/redevelopment, to the FSI, TDR-FSI and/or additional FSI consumed and proportionate share in increase as per sub-clause (1) above and shall be entitled to the portion of land allocated to such building.

Section 19(8) - A layout plot/land shall be conveyed to the apex body or federation subject to the right of the promoter to dispose of the remaining flats and to receive the payment. If additional FSI becomes available after the Conveyance, then such additional FSI shall be apportioned to the respective legal entities.

Section 19(9) - The apex body shall manage and administer the common areas and facilities without having a legal interest in the buildings.

Section 20(1) - General liabilities of flat purchaser - Every purchaser shall pay the price and proportionate taxes, water and electricity charges etc.

Section 20(2) - Contravention of sub-section (1) shall be punishable with fine which may extend to the amount defaulted.

Section 21 - Competent Authority - The State Government may, by notification, appoint an officer not below the rank of District Deputy Registrar of Co-operative Societies to be the Competent Authority.

Section 22 - Establishment of HRA HRA shall be a body corporate, having perpetual succession and a common seal and may acquire, hold and dispose of property both movable and immovable and may contract and sue or be sued.

Section 23 - Composition of HRA. Chairperson and two or more members who have special knowledge of an experience in public administration or urban development, housing finance, law or management.

Section 29(1)- Functions of HRA.

- (i) To ensure compliance of obligations upon promoters and allottees;
- (ii) Enquiry into compliance.
- (iii) To levy fees and charges;
- (iv) Report matter to the appropriate authority for action against a promoter or allottee for commission of any offence.
- (v) To host and maintain a website of records of all housing projects within its jurisdiction;
- (vi) Perform such other functions relating to housing projects as may be entrusted to HRA;
- (vii) To make recommendations in relation to DC Regulations, changes in FSI and other related matters;
- (viii) Recommendations are not binding and the State Government shall take final decisions.

Section 29(2) and (3)-Upon receiving a complaint or application, HRA shall, after enquiry and hearing, pass a reasoned order within three months or such further time and found appropriate by HRA.

HRA shall not enter into adjudication of restrictive practices.

Section 30- HRA may call upon any promoter to furnish in writing information and the explanations with regard to compliances.

b) direct the promoter to produce books of account or other documents relating to the project or flat.

Section 31- HRA may issue directions to promoters, purchasers and organizations and such directions shall be binding on all.

Section 32- Powers of HRA: Upon cancellation of registration under section 4(c)(i) HRA shall prohibit the promoter from marketing and selling of flats constructed for the purchaser or for which cancellation of registration is done.

Section 33- Measures to be taken by HRA for planned development and promotion of the Housing Sector:

HRA shall take all possible measures for growth and promotion of a healthy, transparent, efficient and competitive real estate market, and shall:

(a) Evolve consensus amongst Government and other bodies to follow, on mandatory basis structural safety norms;

(b) establish a framework of standard procedures and norms for speedy processing and grant of planning permissions;

..11..

(c) promote the rating of real estate projects and of promoters;

(d) on behalf of the real estate sector take up with the Government, financial institutions and other's issues such as easy access to credit or home loans, land title Certification system, registration procedure, maintenance of properties, statutory framework for equitable and balanced relationship between promoters and purchasers;

(e) promote construction of environmental friendly green buildings and conservation of water;

(f) promote standardization and use of proper construction material and techniques;

Section 34- HRA shall be guided by the principles of natural justice and shall regulate its own procedure. It shall have the powers of a Court and may summon and enforce attendance etc.

Section 35- Housing Appellate Tribunal shall be set up by State Government.

Section 40- Appeal may be filed against any order or decision of HRA, within sixty days of the date of the order.

Section 42- Appeal to High Court in 30 days.

Section 44- Punishment for non-registration of flats upto Rs.1,000/- per day or default.

Section 45- Penalty for contravention of section 6, 16 or 17.

Penalty of Rs.10,000/- per day or Rs.50,00,000/- whichever is lower.

Section 46- If a flat purchaser or an organization contravenes the provisions of the Agreement for Sale, including non-payment of any amounts or charges, he shall be liable to pay a penalty of upto Rs.1,000/- or 1% of the sale price, whichever is higher.

If the purchaser fails to pay the outgoings to promoter for more than three months, then the Promoter may cut off or curtail or reduce any essential supply or services.

Section 47- Non-compliance of HRA or HAT order- penalty upto Rs.10,00,000/-.

Section 48- Any person other than the Promoter failing to comply with this Act or Rules or not paying penalty imposed by HRA, shall be liable to penalty of upto Rs.50,000/-.

Section 49(1)- Offences by promoters- S. 9, 12, 14, 18 or 17 fine upto Rs.1,00,00,000/-.

..12..

Section 49(2)- Other provisions - fine upto Rs.10,00,000/-.

Section 53- The provisions of this Act shall be in addition to the Transfer of property Act and shall override contracts to the contrary.

Section 54- This Act shall not apply to the MHADA Authority or to Boards under MHADA.

SCHEDULE I- (Section 6(2))

Measures for protection and safety of property to be taken by the Promoter.

The Promoter, the Architect and the Engineer shall comply with measures for safe construction etc.

Measures for insurance.

SCHEDULE II- Promoter to maintain building-wise separate accounts in any Scheduled Bank of the sums taken by him towards maintenance and outgoings, including for formation of Co-operative Society etc.

Outgoings payable for the maintenance of layout land and Club House etc. shall be maintained in a separate account.

Promoter shall hold the sums for the purposes for which they were given and shall make full and true disclosure to the HRA or to the Purchaser individually or collectively of all transactions in respect of their account.

Promoters responsibility is till transfer of management to the society etc.

The Promoter, who has collected money for outgoings shall pay all such charges till the amounts are fully depleted. Any balance remaining shall be handed over to the Society or apex body etc.

If the transfer of management from the promoter to the society etc. - Such payment shall be made to the organization. The Transfer of management shall be only if the Promoter is received all outstanding dues from the purchaser, and after the transfer of management of the building and/or let out land. Thereafter the organization shall maintain the building and/or the land.

The Promoter shall keep the balance in a separate account and shall be entitled to raise bills for further amounts.

Refund of amount- If a Promoter fails or unable to give possession in accordance with the Agreement or on account of cancellation of its registration, he shall be liable without prejudice to other remedies to refund the amount together with interest @ 15% p.a. and penalty as decided by the HRA. HRA may inspect the accounts or records of the Promoters.
