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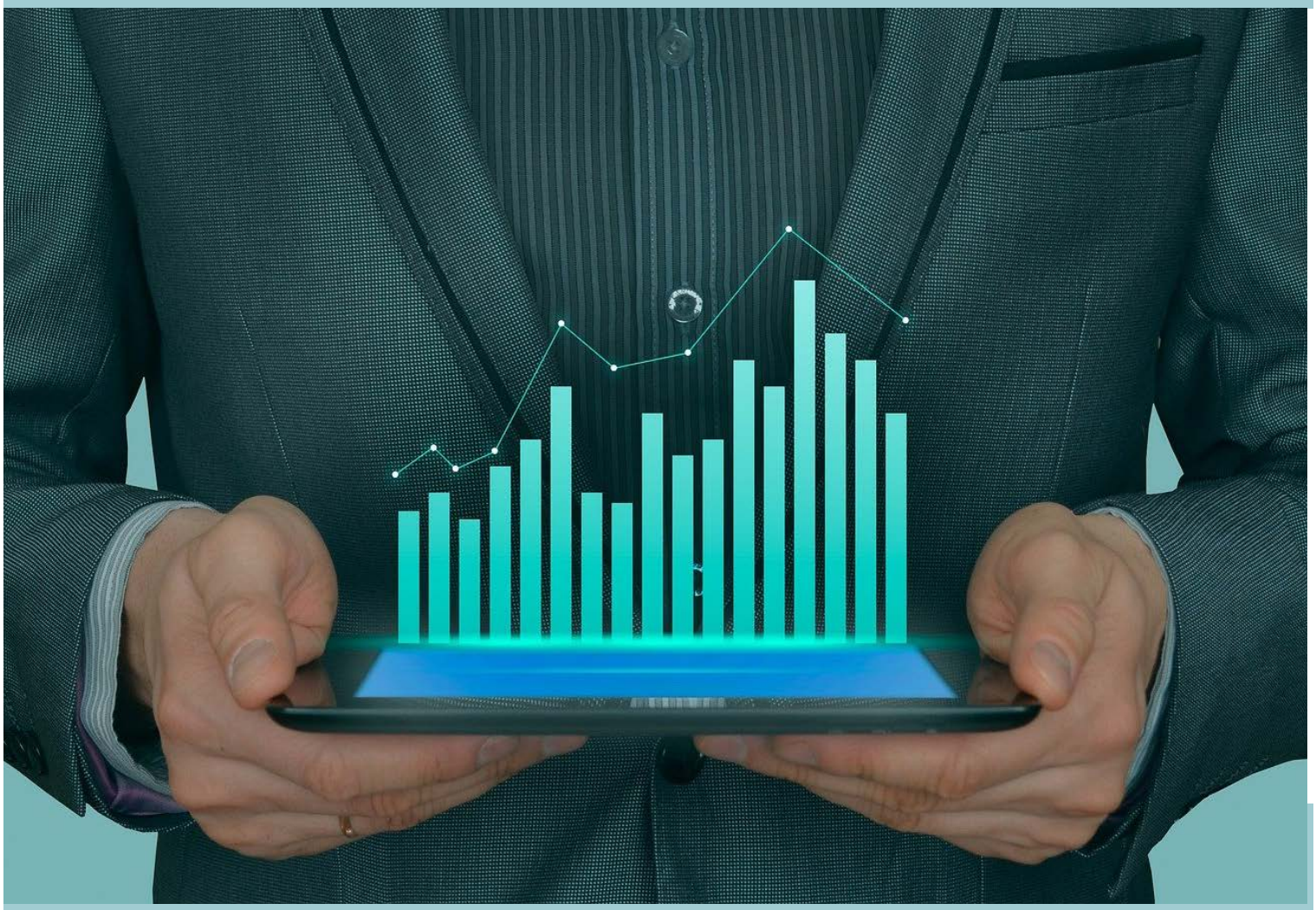

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Chairman's Message

Dear Members,

November was the month of sparkle as the festival of lights **"Diwali"** was celebrated across the world with great fervor and enthusiasm. Diwali is a Auspicious festival of lights it gives birth to new hopes and new beginnings. The branch and its activities also sparkled as we organized number of events for members and students during the month. May this Dhanteras bring a bright future for all of us, and may our country see its growth in the double digits and create prosperity all around.

Now that the Covid restrictions have subsided and been relaxed, we look forward to planning some physical events this month being a busy months coming forward with the extended Individual return due dates approaching let us be time bound and reduce the stress level by planning to complete the work well within the time.

This month we had a Tour to Kashmir where more than 30 members participated and 2 seminars was conducted as part of the same. It was great that the enthusiasm of Members was well appreciated with the success of the tour. Further this month we had 2 committee programs one Being on Insolvency and Bankruptcy code and One a refresher Programme on Corporate Laws which had good response. Further Members sports were held with Cricket being the main event and this was well taken by the members . The guest for the day also gave us a tip how sports play an important role in releasing the stress level and increasing the Focus. SIRC Conference was held at Coimbatore where we received a very good response more than 80 members registered for the event. The program was a good eye opener for Physical programs and coordination..

We have noticed a study growth in our economy with the relaxations in covid – 19 restrictions. Even though we were able to finish some of our professional assignments we still continue to struggle with the glitches and hurdeles in the process. Hope the situation will get better and improve as the due dates are nearing.

COVID-19 With the new variant of COVID having been recently discovered and the potential challenges that it may present, it is my humble request to members to continue wearing their masks and make it a mandate within their offices to contain the spread of the virus. Let us take all possible precautions within our power to ensure that us and our families stay safe against the virus. Thank you, stay safe and stay healthy.

The end of the years brings with it the examination period. Any sort of testing creates stress in the mind of the test taker, and it is only natural to take such stress about having to do well. It is important however to manage this stress efficiently so as to allow it to bring the best out of you, come exam day. Remember to take breaks, drink loads of water and get the right amount of sleep every night as you prepare to allow for maximum knowledge retention. We wish all the aspirants writing their CA Foundation/ Intermediate/Final examinations the very best of luck and no matter what happens, always take pride in the knowledge that you did our absolute best!

It is truly gratifying to witness and experience the amazing support and wishes you have extended so far. It is this positive vibe that drives me to work in your interest and that is where my real happiness lies. We would urge you to stay connected and continue to provide your unstinting support to all the endeavors of the Branch.

What is NGO Darpan?

- CA. Sreenath Nageri

NGO-DARPAN is a platform that provides space for interface between Non-Government organizations (NGOs)/ Voluntary Organizations (VOs) in the country and key Government Ministries / Departments / Government Bodies.

It started out as an initiative of the Prime Minister's Office, to create and promote a healthy partnership between NGOs/VOs and the Government of India. Now it is an e-governance application offered by NITI Aayog to electronically maintain data and transparency regarding NGOs/VOs in the country.

In order to transact business with line Ministries/ Departments, an NGO has to first sign-up on the NGO-DARPAN portal to obtain a Unique Identity Number (UIN) by furnishing the required details like registration number of the organization, PAN of the organization, PAN and Aadhar details of the office bearers/trustees etc.

Ministries/Departments implementing schemes through the NGOs are also required to develop their own portals and integrate the same with the NGO-Darpan to facilitate seamless flow of information regarding the fund flow, projects implemented etc. about the NGOs. The Ministries/ Departments can also verify the antecedents of the NGOs through this integrated system before considering any application from NGOs for grants.

1. What are the facilities provided by NGO Darpan?

The NGO-PS helps VOs/NGOs to:

- Get details of existing VOs / NGOs across India
- Get details of the schemes of the participating Ministries/Departments/Government Bodies offering grants to VOs / NGOs
- Apply on - line for NGO grants
- Track status of your applications for grants

2. How can one apply for NGO Grants?

- To apply for grants the first step is to create your account/sign-up and create your own User ID and Password.
- Once you login into your account, there are various links available, for viewing the department-wise schemes, providing NGO grants. Select the scheme under which you want to apply for a grant. The link to your selected scheme will provide you with all the details of the scheme

- format in which you have to apply, documents you need to attach etc.

- You can get the details of the Nodal Officers for the concerned scheme, from the website. Any queries regarding schemes or about how to proceed for schemes and grants will be clarified by the respective Nodal Officers (List and Contact Details are available on the website).

3. Who can sign upon the NGO Darpan?

Any VO / NGO which is registered as a trust/ society/ a private limited nonprofit company, under section-25 Company of the Indian Companies Act, 1956 can Sign Up on the NGO Darpan.

4. Is individual registration allowed?

As of now no Individual (person) Registration is allowed.

5. How to sign up and create Account?

- All VOs/NGOs which are already registered as trusts/societies/private limited nonprofit companies are invited to Sign Up on the NGO Darpan (NGO-PS) Portal/Website.
- Inside the box with "New Users" Heading, a "Sign Up" button is available.
- On clicking "Sign Up" button, an online form will appear which you are required to fill.
- While filling in the form, you are required to make a UserID (can be any word or name which you can remember and use in the future for Logging in to your account) and a Password.
- Once you click on the submit button after entering all your details, you will get a message on the screen, saying "You are Successfully Registered." And you will be shown a Unique Id, which you are required to note down very carefully (or print the page or save the page) at that time . It would be something like AB/2010/0001234.
- An Email with a link for activation will be sent to your email id, which you have given in your Contact Details in the portal. You are required to click on the link 'Activate your account'.
- After clicking on the link, you would be asked to provide the Unique ID which was shown to you earlier (ie something like AB/2010/0001234).
- After thus Activating your account you can use your UserID and the Password to Login into the website and avail the facilities.

RERA – Transformation in Real Estate Industry

-CA. Vinay Thyagaraj

The Real Estate (Regulation & Development) Act 2016 was enacted fully w.e.f., 1st May 2017 and presently it is effective and has been implemented in most of the States and Union Territories .

With the implementation of The Real Estate (Regulation & Development) Act 2016 by the states and setting up of the Adjudication mechanism including the Appellate Tribunals to hear the matters relating to violation of the provisions of the Act by the Promoters and Allottees, has resulted in speedy disposal of the matters thereby resulting in giving relief to both Allottees and Promoters. Approximately, about 71,000 projects have been registered and as many as 78,000 complaints have been disposed by the Real Estate Regulatory Authorities.

On 1st may 2021, 4 years completed and stepping into 5th year of implementation of the RERA. RERA Authorities have implemented the processes of Registration of the Project, Agent Registration, Extension, modification, Complaint filing, redressal mechanism etc in effective and efficient manner. Various efforts were made by the Authorities to educate various stakeholders in the Industry, their roles and responsibilities in order to achieve the objectives of the Act.

Kerala State has notified Kerala Real Estate (Regulation and Development) Rules 2018 on 18th June 2018. Accordingly, State government has Established the Authority and appointed Chairman, members, Adjudicating officer and RERA Tribunal. Now Kerala RERA is fully functional.

Every stakeholder plays a vital and important role under the Act. Viz., RERA Authorities, Promoters, Landowners, Allottees, Real Estate Agents, Bankers, Financial institutions, vendors, investors, lenders, government agencies, department, professionals like Engineer, Architect and a Chartered Accountant. I presume that each stakeholder understood the importance of RERA, its objective. Efforts were made in complying with the various provisions under the Act, Rules and Regulations.

The Real Estate (Regulation & Development) Act 2016 is a transformation statute for a Real Estate Business. The truest implementation of the statute will bring the unbelievable results in the Industry and to the Country.

Over last 4 years of implementation, RERA Authorities have focused and spend their energy in exercising the regulation provisions of the Act / Statute. Act has an inbuilt provision wherein the States

and RERA Authorities have obligation to implement the development aspects. These development aspects include strengthening various practices, ease the procedures, recommendations for improvement in policy matters.

During these 4 years, the RERA Authorities have operationlised the Website, wherein the promoters have published all the relevant details of the project. In a click of a button, the stakeholders can access to these data and ensure themselves about the correctness of the project and its details.

With the implementation of the website, much more benefits to the buyers of the real estate project. Buyers can verify the details before they take the decision of buying the units in the project.

Over last four years, the Authorities have exercised powers vested under the Act, Rules and levied the penalty on the project for non-compliance of various provisions under the Act.

Even though four years is complete, still long way to go. Few challenges before the RERA Authorities –

1. Bringing all unregistered projects under its purview
2. Enforcing compliance for the orders passed by the Authority, Adjudicating officer. Especially in relation to Allottees complaint and orders thereon
3. Enforcing compliance of all applicable provisions under the Act
4. Continuous monitoring of the progress of development of the project and timely delivery of units to the buyers.
5. Bringing all allied laws in line with RERA Act and Rules
6. Making RERA as the ultimate statute to govern the Real Estate projects
7. Bringing development aspects and implementation of the same, helping industry in Ease of Doing business

Section 32 of the Act gives the power to the Authority to facilitate the growth and promotion of a healthy, transparent, efficient and competitive real estate sector make recommendations to the appropriate Government of the competent authority, as the case may be, on -

(a) protection of interest of the allottees, promoter and real estate agent

(b) creation of a single window system for ensuring time bound project approvals and clearances for timely completion of the project

(c) creation of a transparent and robust grievance redressal mechanism against acts of omission and commission of competent authorities and their officials

(d) measures to encourage investment in the real estate sector including measures to increase financial assistance to affordable housing segment

(e) measures to encourage construction of environmentally sustainable and affordable housing, promoting standardization and use of appropriate construction materials, fixtures, fittings and construction techniques

(f) measures to encourage grading of projects on various parameters of development including grading of promoters

(g) measures to facilitate amicable conciliation of disputes between the promoters and the allottees through dispute settlement forums set up by the consumer or promoter associations

(h) measures to facilitate digitization of land records and system towards conclusive property titles with title guarantee

(i) to render advice to the appropriate Government in matters relating to the development of real estate sector

(j) any other issue that the Authority may think necessary for the promotion of the real estate sector

Let us understand the changes / transformation in real estate business and practices – Post RERA -

Post RERA Practices

1. Prior Registration of Real estate projects is mandatory – every project required to obtain the registration from RERA Authority before marketing, advertise, collectadvance, invite people etc
2. Authority either grants or rejects the application for registration within 30 days
3. further the Act mention the deemed registration if the Authority fail to issue the registration within 30 days of the application
4. Details of registration granted by RERA for the project available on RERA portal
5. Details of the Project including Number/ types of apartments or plots booked, approvals granted, NOC's, the status of the project etc are published by the Authority on RERA Portal
6. Sanctioned plan, layout plan, stage-wise schedule of completion of the project including the provisions for civic infrastructures like water, sanitation and electricity available on RERA portal
7. RERA Registration Number shall be displayed on Project Site

8. All advertising or marketing collaterals shall carry Rera Registration Number, RERA Website address - Print, hoarding, social media, SMS, Television etc

9. RERA Registration number shall be displayed prominently on advertising or marketing collaterals.

10. Promoter is responsible for obtaining leasehold certificate, commencement and completion/ occupancy certificate / completion certificates for all projects

11. Landowner and Developer both are responsible under the Act as Promoter and liable to deliver to the allottees in terms of the agreement entered.

12. Financial management under the Act is mandatory since inception to completion - collection, deposit and withdrawal of money

13. 70 % amount realised from the allottees shall be deposited into RERA Designated Project Bank Account

14. Amount shall be withdrawn based on % of completion of development work

15. Withdrawal of money from RERA Designated Project Bank Account shall be supported by Architect, Engineer and CA certificates certifying the % of completion of development work

16. RERA Annual Audit Due date is 30th Sep of every year (6 months from the end of financial year) – Applicable to all projects since inception to completion.

17. RERA Audit report shall be uploaded along with quarterly updates (Sep quarter)

18. Quarterly Updates due date - 15 days from the end of the quarter (K RERA)

19. Any modification in the sanctioned plan shall require Section 14 Compliance – there cannot be unilateral decision of the promoter. Promoter shall obtain the consent from the allottees for any modification in plan.

20. Change of promoter / transfer of rights requires Section 15 compliance

21. 2/3rd Consent of Allottees required for modification of plan or change of promoter

22. Extension application for End Date (renewal) for project is mandatory. Means every promoter shall plan and develop the project and deliver with in timelines provided.

23. File application for extension 3 months before End Date

24. All Compliances shall be in place (Quarterly updates, Annual Audit etc to seek for extension of end date)

25. Extension of Registration in accordance with Section 6 of the Act

26. Revocation of Registration of Project by authority as per Section 7 - Suomoto or based on

complaint received

27. Display of defaulter list on the website of the Authority and inform to all other states about such defaulter

28. Formation of Allottees Association once major bookings are to be done as per Section 11 – it is mandatory for the promoter to enable the formation of Association of Allottees once major booking in the project is done. Such Association shall be in accordance with the local applicable laws.

29. Responsible for compensation for loss or damage caused due to incorrect/ false statement made in prospectus or notice of advertisement or in relation to the model apartment, plot or building – Section 12

30. Communication to Allottees from time to time about progress of development works in the project through any medium

31. Mention of schedule of development of the projects part of Agreement for Sale

32. Mention the Carpet Area in all documents (marketing, offer documents, agreement, sale deed etc) – Carpet Area is the unit of measurement under RERA.

33. Car Park allotment only for exclusive use of private residence of the project. Such car parks shall be allotted in terms of sanctioned plan

34. No Escalation in price once the agreement is entered with the allottees except in case of increase in statutory levies. Means promoter shall consider all possible escalation cost during the tenure of development of the project as part of estimate cost of the project.

35. Defect Liability is for 5 years - consider the cost of attending / rectifying such defects as part of the cost of the project. Such defects shall be attended with in 30 days of notice by the allottees in the project.

36. Title Defect - Lifetime warranty

37. Appointment of RERA Registered Agent only to promote / market the RERA Registered project

38. Periodical training of Agents / Channel partners and train them on importance ofcommunication with customers

39. Filing of completion application on receipt of Completion certificate and completionof developments works and all obligations as per Agreement for sale

40. Change of RERA Project designated Bank Account with prior approval of the Authortiy.

41. Promoter Shall not collect more than 10 % of cost of the unit without entering into Agreement of Sale with the allottees

42. Agreement for Sale shall be registered

43. Follow Agreement of sale (mandatory) format as notified by RERA – Rule 8A

44. Cash collection is not permitted as per Agreement for Sale

45. After executing an agreement for sale, not to mortgage or create a charge on the apartment, plot or building

46. Cancellation of allotment only in terms of the agreement for sale

47. Execute a registered conveyance deed of the apartment, plot or building within 3 months from the date of issue of Occupancy Certificate

48. Providing and maintaining essential services until handover the maintenance to the Association of allottees

49. Handing over of the common areas, project land to the Association of Allottees as per Section 17 of the Act

50. Penalties for noncompliance are based on % of Estimate Cost of the Project Sec 59 to Sec 68 of the Act

51. Proper clauses in Joint Development Agreement in relation to roles, responsibilities,mandatory deposit of landowner share of realization of money from the allottees intothe project designated bank account, restrictions on withdrawal and utilisation for 51. the development of project and all other compliances under RERA shall be deliberated and mentioned.

52. Construction insurance and Title Insurance is mandatory for the Project

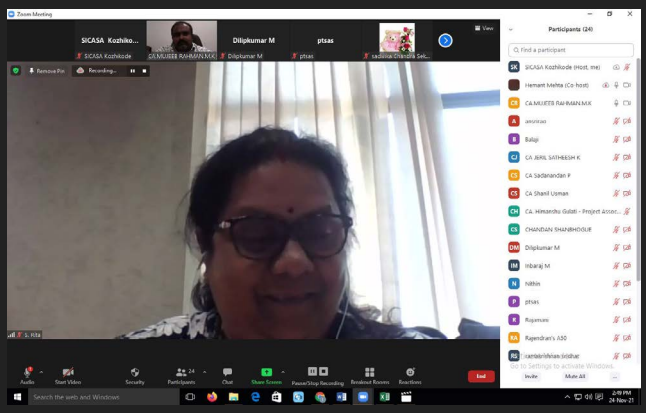
53. Same Rate of interest as compensation (maximum of SBI MCLR + 2%) in case of delay by promoter for completion or delay of payment of installment by allottees.

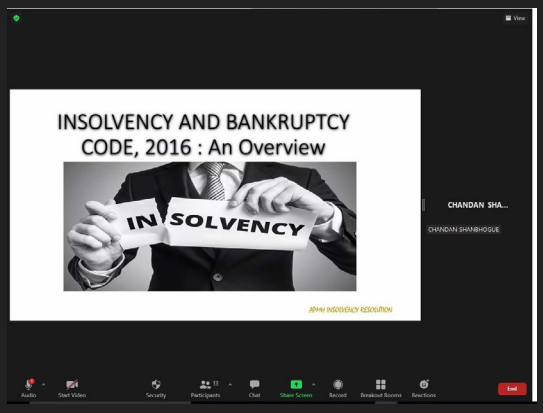
54. Speedy dispute redressal mechanism and timely disposal of complaints under the Act.

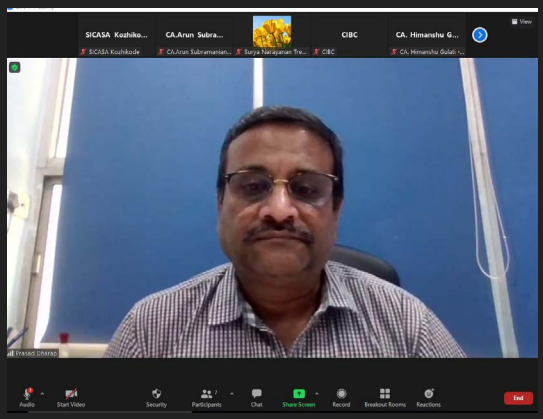
55. Promoter can forfeit only booking amount in case of cancellation by the Allottee.

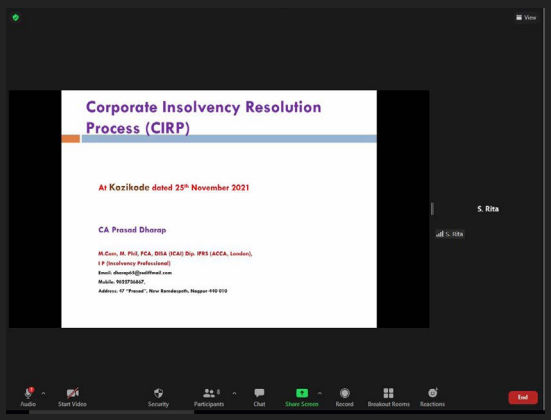
CA.Vinay Thyagaraj is a Practicing Chartered Accountant from Bangalore, practice on RERA since inception of the RERA Act. You can write mail to vinay@vnv.ca for any queries.

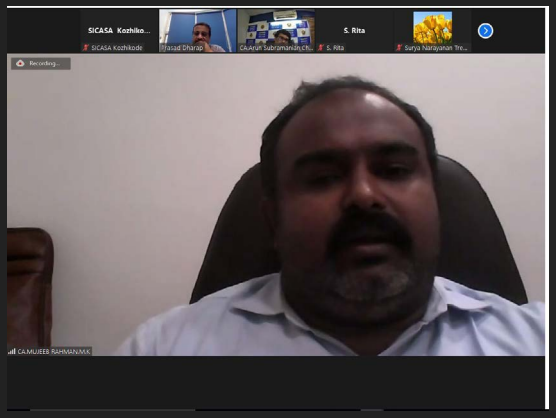
ACTIVITIES - NOVEMBER, 2021



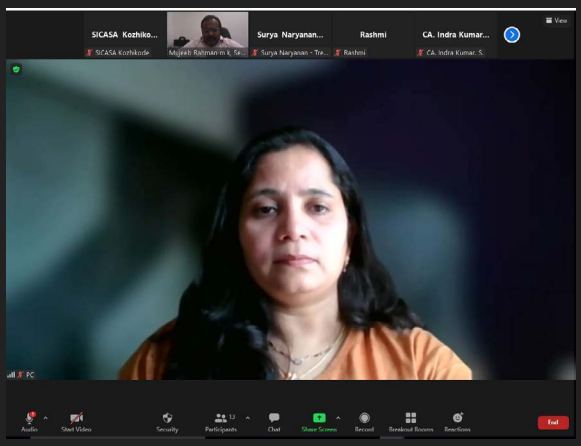


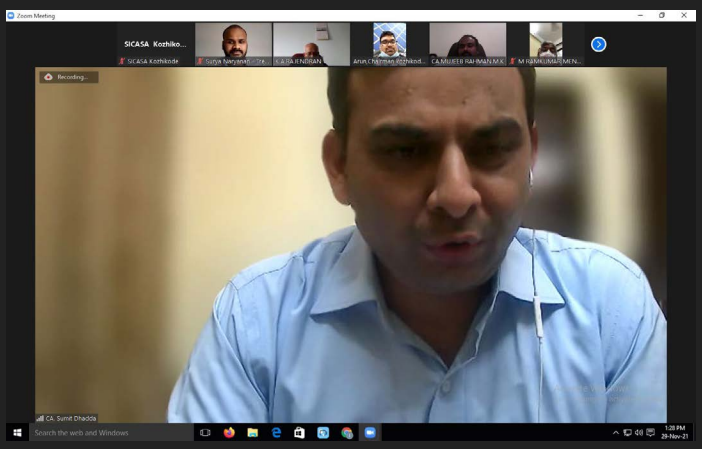


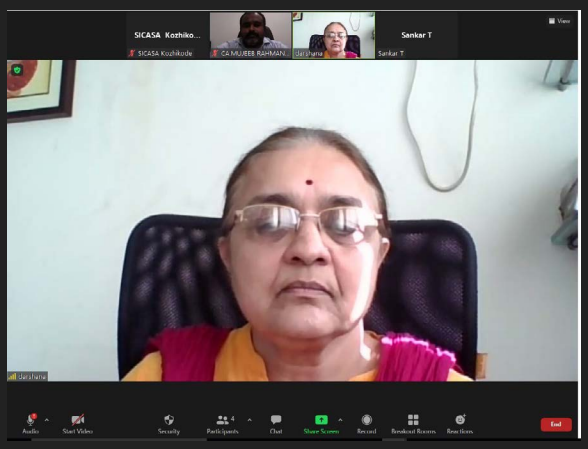


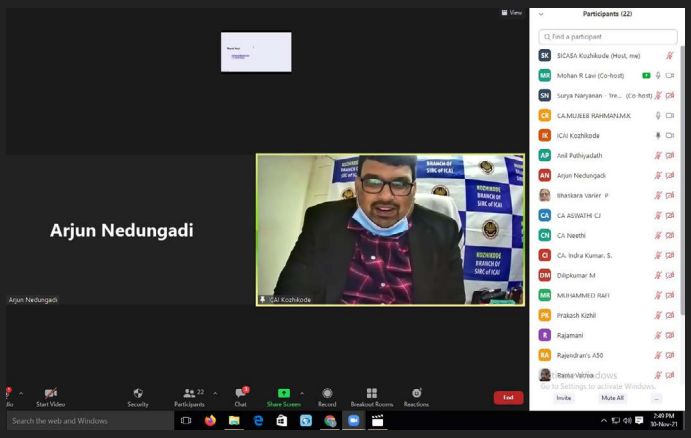


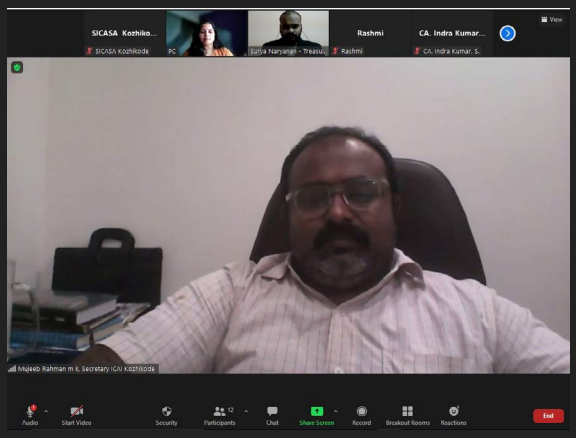
Two Day Virtual CPE Meeting organised by Committee on Insolvency & Bankruptcy Code of ICAI
***Speakers* CA. Hemant Mehta, CA. Prasad Dharap - 24.11.2021 & 25.11.2021**

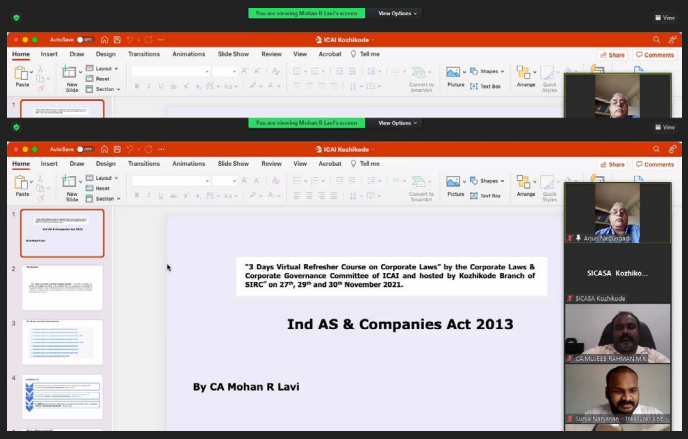


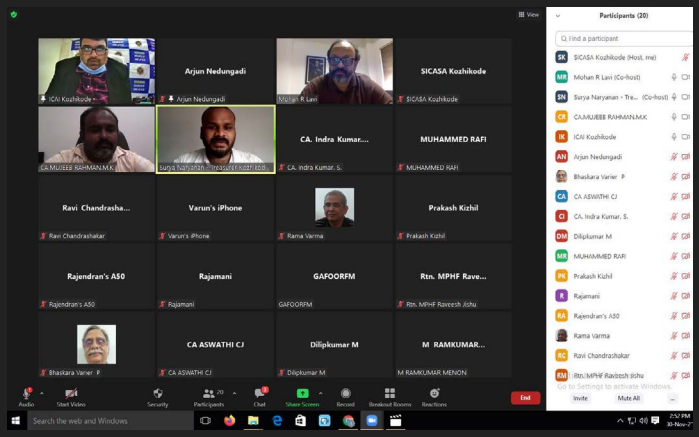












Three Days Virtual Refresher Course
organised by Corporate Laws & Corporate Governance Committee of ICAI
***Topic* - Corporate Laws**
***Speakers* - CA. Padmashree Crasto, CA. GururajAcharya, CA. DarshanaMankad, CA. SumitDhadda, CA. Shawn Jeff Cristopher, CA Mohan Lavi**
- 27.11.2021, 29.11.2021 & 30.11.2021

Sports Day - 28.11.2021

At Regional Conference at Coimbatore with CCM CA. Babu Abraham - Kerala Branch Chairman meet - 19.11.2021 & 20.11.2021

Upcoming Programmes - December, 2021

December

11		Joint VCM - Empowering Young Members to Tread the Turbulent Times Speaker - CA. G. Ramaswamy, Past President ICAI
16	3:00 PM to 5:00 PM	VCM in association with All Kerala Branches of ICAI Topic - CPE on Ethics Speaker - C N Vaze, Mumbai
18		CA Family Get together & New Year Celebration. At Manikkal Mana, Farook College Road,Opposite Venerini School, Kozhikode

Contributions to e-newsletter

Contributions in the form of articles, poems, jokes, travelogues etc. are invited from members for consideration in the monthly e-Newsletter. Interested members may email their contribution to *icaikoznewsletter@gmail.com* along with name, membership number and mobile number.