

Subject: Operation of RERA account.

As per rules of RERA separate account for meeting project cost is to be maintained. This memo is issued for clarification and standard operating procedure for operating these accounts. The basic accounts to be maintained are as under:

1. Collection account: This is a type of escrow account which cannot be used for operations (online transfers cannot made/cheque book will not be issued). All receipts from customers related to sale consideration should be deposited in this account. Bank will automatically transfer 70% to RERA account and 30% to current account on receipt of funds. Housing finance companies to be given details of collection account only for preparation of cheques.
2. RERA account: this account is to be used for all project related expenses that include:
 - a. Labour and material payments.
 - b. Salaries, PF, ESI, etc.
 - c. Admin, promotions expenses related to project and utility payments.
 - d. Statutory payments like IT, GST, fees, etc.
 - e. Building permit fee and all other types of fees and charges.
 - f. Repayment of loan and interest on loans.
 - g. Land acquisition and registration cost. Deposit to landowners under JDA.
 - h. Land regularization cost.
 - i. Consultants fees.
 - j. However, payments to developer/builder towards withdrawal of capital cannot be made normally (in exceptional circumstances, it can be withdrawn subject to approval of CA/MD).
3. Current account: This is like a normal account and 30% of receipts being deposited in this account can be used for any purpose without any restriction.

RERA accounts to be immediately opened and operated for SOV (YES bank), AGH (YES bank), MPL (Kotak bank) and all new projects.

4 quarterly returns and one annual returns to be filed for all projects with RERA registration with the help of Sham Sunder Bajaj (CA – our consultant).

Soham Modi.