



### **Real Estate Sector – Extension of timelines by the MahaRERA**

The continuing lock down and crisis has made things more difficult for already beleaguered developers. The lock down has led to no labour and no materials for construction. Now after 56 days of lock down, the reverse migration of labour has raised further concerns on the availability of work force to complete projects now that construction sites can operate subject to certain care and conditions.

Clearly developers have been making applications to various State Regulatory Authorities under section 6 of the Real Estate Regulatory Authority Act, 2016 (“**RERA**”) seeking orders for extension for completion dates. The Regulatory Authorities in Maharashtra, Gujarat and Tamil Nadu had suo moto granted extensions for completion of projects by issuing various orders, as in Maharashtra vide the order bearing no. 13/2020 dated 2 April, 2020.

Taking this all into consideration and to avoid numerous applications and orders, the Ministry of Housing and Urban Affairs (Housing Section), through the Central Advisory Council (“**CAC**”) vide notification no. O-17024/230/2018-Housing-UD/EFS-9056405 dated 13 May 2020, confirmed Covid-19 as a ‘*force majeure*’ event as defined under section 6 of RERA and gave some directions to State Regulators to extend completion dates for projects where the completion date or revised completion date or extended completion date, by approximately 6 months for projects where the registration expires on or after 25 March 2020.

Following the CAC notification, the Maharashtra Real Estate Regulatory Authority (“**MahaRERA**”) has, vide its notification no. 14/2020 dated 18 May 2020 passed an order to extend the registration and completion date or revised completion date or extended completion date automatically by 6 months with effect from 15 March 2020 i.e. till 14 September 2020 (“**Force Majeure Period**”).

As per the MahaRERA order:

- This extension is in continuation of the extension provided as per MahaRERA order dated 02 April, 2020 bearing notification no. 13/2020. The MahaRERA will issue fresh “Project Registration Certificates” with revised timelines in each such registered real estate project;

- Promoters requiring additional time to apply to the MahaRERA under section 6 of RERA for an additional extension after the expiry of the Force Majeure Period;
- Timelines for all statutory compliances in accordance with the provisions of the RERA and its rules and regulations have been extended until the expiry of the Force Majeure Period;
- Force Majeure Period will be treated as a moratorium for calculating interest under sections 12, 18, 19(4) and 19(7) of RERA and will be excluded when calculating interest payments;
- Registration of sale documents falling registrable during the Force Majeure Period and which have not been registered since the Sub- registrar offices are not functioning, can be postponed to a time after the Force Majeure Period ends ;
- Date of handover of possession in the registered agreements have been automatically extended until the expiry of the Force Majeure Period;
- Compliances required to be undertaken for the transfer of title under section 17 of RERA can be undertaken after expiry of the Force Majeure Period;
- Any refund (as per the MahaRERA Rules) that is due during the Force Majeure Period, the recovery of which shall stand extended till one month after the expiry of the Force Majeure Period;
- Any amount as per section 40 of RERA that becomes payable during the Force Majeure Period, shall be recovered after the expiry of the force majeure period;

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