

UTTAR PRADESH REAL ESTATE REGULATORY AUTHORITY (U.P. RERA)

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Real Estate Project (Maintenance and Operation of Project Bank Accounts)
Directions, 2020 as revised in November, 2023

It has been provided under section 4(2)(1)(D) of the Real Estate (Regulation and Development) Act, 2016:

That seventy percent of the amounts realized for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose;

Provided that the Promoter shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project;

Provided further that the amounts from the separate account shall be withdrawn by the Promoter after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of the completion of the project;

Provided also that the Promoter shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that, the amount collected for a particular project has been utilized for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

It has been provided under Rule 22 (4) of UP Real Estate (Regulation and Development) Rules, 2016 that the Authority may in the interest of the allottees, enquire into the payment of amounts imposed as penalty, interest or compensation, paid or payable by the Promoter, in order to ensure that the Promoter has not:

- (a) Withdrawn the said amounts from the account maintained as provided under sub-clause (D) of clause (1) of sub-section (2) of section 4; or
- (b) Used any amounts paid to such Promoter by the allottees for the real estate project for which the penalty, interest or compensation is payable, or any other real estate project;

(c) Recovered the amounts paid as penalty, fine or compensation from the allottees of the relevant real estate project or any other real estate project.

Uttar Pradesh Real Estate Regulatory Authority, hereinafter called the Authority, has established a web-based system of registration of the projects wherein the Promoter is required to provide details of the bank account of the project at the time of registration of the project;

Whereas the facility to upload the annual statement of the audited account and the three certificates has also been provided on the website of the Authority.

The Authority, with a view to discharge its functions under Section 34 (f) and (g) of the Act, read with other relevant provisions of the Act, and the Rules and the Regulations made thereunder empowering it to ensure compliance of the obligations cast upon the Promoters under this Act, and the Rules and the Regulations made there under, using the powers conferred upon it under section 37 of the Act, issues the following revised directions for the maintenance of the accounts of the project accounts which shall be known as The Uttar Pradesh Real Estate Project (Maintenance and Operation of Project Bank Accounts) Directions, 2020 as revised in November, 2023.

These directions shall subsume all previous directions and orders in relation to the maintenance and operation of RERA Project Accounts and shall come into effect from the date of publication on the website of the Authority.

1. Short Title

These Directions will be known as The Uttar Pradesh Real Estate Project (Maintenance and Operation of Project Bank Accounts) Directions, 2020 as revised in October 2023.

2. Definitions

- (i) "Act" means the Real Estate (Regulation and Development) Act, 2016
- (ii) "Authority" means Uttar Pradesh Real Estate Regulatory Authority established under sub-section (1) of section 20 of the Act
- (iii) "Separate Bank Account" means the separate account to be maintained by the Promoter in a scheduled bank as per section 4(2)(1)(D) of the Act to cover the cost of construction and the land cost of the project.
- (iv) "Collection Account" means an account to be maintained by the Promoter for receiving all the collections, including GST, from the allottees from time to time.
- (v) "Transaction Account" means an account of the project to be maintained by the Promoter for transferring up to 30 percent of the total collections received in the Collection Account of the project.

- (vi) "Ongoing Project" means a project ongoing on the date of commencement of the Act and for which completion certificate had not been issued before 1st May 2017.

3. Opening of RERA Project Accounts

The Promoter shall open three bank accounts, namely 'Collection Account of the Project', 'Separate Account of the Project', and 'Transaction Account of the Project' in a single scheduled bank –for the real estate project before applying for its registration with the Authority. The promoters of all real estate projects registered after 1st April 2021 would have to submit the details of all three accounts with the application for registration of the project to the Authority.

The promoters of such projects which were registered with U.P. RERA before 01-04-2021, might also request U.P. RERA for disclosing its other two accounts namely the collection and the transaction account of the project on the web-portal of U.P. RERA after submitting online on U.P. RERA web-portal an affidavit on **Form RA-2** alongwith duly filled up Form RA-3 and the bank statements of the concerned accounts.

3(A). Collection Account of the Project

3(A)(i). The Promoter shall maintain the 'Collection Account of the Project' for each project registered with U.P. RERA separately.

3(A)(ii). "Collection Account of the Project" opened in a scheduled bank shall have the <name of the project> along with the name of the Collection Bank Account holder. For example, if the name of the Promoter is M/s ABC Ltd, and the name of the project is XYZ, then the description of the account will be "ABC –Collection Account for XYZ". 3(A)(iii). The Promoter shall give an affidavit in U.P. RERA on **Form RA-1** incorporating the standing advice given by it to the bank for auto-transfer of not less than seventy (70) percent of the amount collected from the allottees in this account to the 'Separate Bank Account of the Project' and not more than thirty (30) percent of the collected amount to the 'Transaction Account of the Project'.

3(A)(iii). The bank wherein the 'Collection Account of the Project' has been opened shall ensure that no debit/ withdrawal is permitted from this account by way of cheque, debit card, credit card and/ or net banking facility or any other means (e.g., demand draft, bank guarantee etc) except through auto-sweep of 70 percent of the amount from the collection account to the separate account and not more than 30 percent of the amount to the transaction account of the concerned project.

3(A)(iv). The Promoter shall publish the particulars of the 'Collection Account of the Project' in every advertisement, prospectus/ brochure of the project and also

on the allotment letter, Agreement for Sale and/or any other document for communication with the existing / prospective homebuyers for the purposes of receiving payments for the project.

3(B). Separate Account of the Project

3(B)(i). The Promoter shall maintain a 'Separate Account of the Project' for every project registered with U.P. RERA separately. It shall be a "NO LIEN" account. The money from this account shall be utilized only for meeting the following expenditures incurred on the project:

1. Land Cost

- (a) Acquisition cost of land (purchase or through agreement with landowner) and legal costs on land transaction;
- (b) Amount payable to obtain development rights, additional FAR and any other incentive under Local Authority or State Government or any Statutory Authority, if any;
- (c) Acquisition cost of TDR (Transfer of Development Rights), if any;
- (d) Amounts payable to State Government or Competent Authority or any other Statutory Authority of the State or Central Government towards stamp duty, transfer charges, registration fees etc. (if not included in para (a) above);
- (e) Interest (Other than Penal Interest, Penalties etc) paid to FI , Scheduled Banks , NBFC and Unsecured Loan at "State Bank of India - Marginal Cost of Fund Based Lending Rate (SBI -MCLR)" on money borrowed for purchase of land and also to Competent Authority.

2. Project Clearance Fees

- (a) Fees paid to RERA
- (b) Fees paid to the Competent Authority
- (c) Consultant/Architect Fees (directly attributable to project)
- (d) Any other (specify)

3. Cost of Development and Construction

- (a) Cost of services (water, electricity to construction site) , Site Overheads;
- (b) Depreciation cost of machinery and equipment purchased or hired and maintenance costs, consumables etc., (so long as these costs are directly incurred in the construction of the concerned project);
- (c) Cost of material actually purchased;

(d) Cost of Salary and Wages (excluding cost of salaries of employees of the company not directly attached to project);

4. **Interest** (Other than Penal Interest and Penalties etc.) paid to Financial Institution, Scheduled Banks, NBFC and Unsecured Loan at "SBI-MCLR" on money borrowed for construction)

3(B)(ii) No amount pertaining to any kind of assured return/ incentive or by whatever name it be, shall be admissible to be booked and/or incurred under interest or any other head/sub-head from the Separate Account of the project.

3(B)(iii). The "Separate Account of the Project" opened shall have the <name of the project> along with the name of the holder of the Separate Bank Account of the Project. For example, if the name of the Promoter is M/s ABC Ltd, and the name of the project is XYZ, then the name of the account should reflect as "ABC – Separate Bank Account for XYZ".

3(B)(iv). Seventy (70) percent of the amount collected from the allottees of the project from time to time shall be deposited in this account. This seventy percent ratio shall be maintained since the inception of the project and till this ratio has been met, the difference amount between the seventy percent of the amount collected and the amount spent on construction and land cost of the project, shall be deposited in this account even if it implies depositing more than seventy percent of the amount collected from the allottees of the project.

3(B)(v). All the secured and unsecured loan amount to finance the project shall also be deposited in this separate account. The secured financing shall also include any amount received through issuance of Non-Convertible Debentures (NCDs) where the project assets are mortgaged to debenture holders.

3(B)(vi). No credits other than the seventy (70) percent amount from the 'Collection Account of the Project' and secured / unsecured finance availed shall be allowed in the 'Separate Account of the Project'.

3(B)(vii). If on a proposal of promoter, the bank agrees and gives flexi facility for higher rate of interest on the funds available in the Separate account of the project, the interest so earned shall only be deposited in the 'Separate Account of the Project' and utilized only for the land cost and/ or construction and development of the project as detailed out in sub para (i) above.

3(B)(viii). The Promoter as well as the banks shall ensure that as provided under section 4(2)(l)(D) of the Act, no withdrawals from this account shall be permissible without the three certificates to be given by the Architect, Engineer and Chartered Accountant of the project on the format prescribed in the Uttar Pradesh Real Estate Regulatory Authority (General) Regulations, 2019 as **Form**

REG-1, REG-2 and REG-3 respectively. The promoter and the Chartered Accountant shall ensure that every certificate signed by the C.A. should include UDIN (Unique Document Identification Number)

3(B)(ix). Rule 22 (4) of U.P. RERA Rules provides that any payment of amounts imposed as penalty, interest or compensation, paid or payable by the Promoter, shall not be withdrawn from the account(s) maintained as per Section 4(2)(1)(D) of the RERA Act. Therefore, the Promoter cannot utilize the money deposited in this account for payment of interest, penalty or compensation to the allottees as the case may be.

3(B)(x). The Promoter can refund seventy (70) percent of the principal amount to be to the allottees from this account subject to the condition that it has deposited or utilized not less than seventy (70) percent of all the money, including the amount of interest, collected from the allottees, for the construction and payment of cost of land of the project.

3(B)(xi). In case of cancellation of an allotment, on account of the persistent default by the allottee, only 70 percent of the principal amount payable to the allottee can be paid from this account.

3(B)(xii). As explained in sub-para (i)4 above, the Promoter can utilize the money from this account for repayment of the amount of interest / coupon payable on account of the project finance / NCDs at the same rate of interest which the bank or the FI or the NBFC is charging. The repayment of interest on the unsecured loans also can be made from this account but not at a rate higher than SBI MCLR. However, the following conditions shall have to be fulfilled:

- a) The Promoter shall disclose details of all the project finances on the website of the Authority on the format annexed herewith as **Form-RA-8** along with the sanction documents of the finances and, a certificate by a Chartered Accountant (alongwith UDIN) and by the lending bank or financial institution.
- b) The Promoter shall similarly disclose the details of the unsecured project finances on the website of the Authority on the format annexed herewith as **Form-RA-8** along with the sanction documents of the finances and, a certificate by a Chartered Accountant (alongwith UDIN) and by the lending institution. In case of default in repayment of the installments due to the bank or the FI or the NBFC, as the case may be, the Promoter shall not be allowed to repay compounded or penal interest from this account.
- c) The Authority shall create an online facility on its website for furnishing such details on the registration page of the project.

3(B)(xiii). The bank where the 'Separate Account of the Project' has been opened shall ensure that no debit/ withdrawal is permitted from this account by way of cheque, debit card, credit card and/ or net banking facility or any other means (e.g. demand draft, bank guarantee etc) except as reimbursement of the expenditure incurred on the concerned project after due certification of such expenditure by the Architect, Engineer and Chartered Accountant on form REG 1, 2 and 3 respectively. Accordingly, the bank shall neither issue any cheque book, debit card, credit card and/ or netbanking facility to the promoter nor issue any demand draft, bank guarantee or any other instrument of withdrawal at the behest of promoter from this account.

3(B)(xiv). The Promoter shall ensure that the Directors / Partners of the company / firm or its concerned employees as approved through Board Resolution (for companies)/ Appropriate Document (for other than companies) are the sole authorized signatory(s) to operate the 'Separate Account of the Project' and no third-party shall be made additional signatories on the 'Separate Account of the Project'.

3(B)(xv). The Promoter shall seek permission from the Authority for any exception to the above directions.

Note: If a project is being rehabilitated under Section 8 of the RERA Act, the Authority may direct the Promoter to open a new Separate Account of the Project and maintain hundred (100) percent of the amount collected from the allottees and all project finances in this account only. The Promoter shall, in that case,

- (a) Amend the standing advice to the bank accordingly,
- (b) Shall transfer the balance amount of funds available in the collection, separate and transaction accounts of the project to the newly opened separate account and give a proof of transfer of funds to U.P. RERA within 15 days of in-principle approval granted by the Authority under Section 8 of the RERA Act, and
- (c) Inform all the existing and prospective allottees that any amount to be paid by them to the promoter against their units will have to be deposited by them in the new separate account only.
- (d) Shall mention the details of new separate account only in all the promotional activities, advertisements, brochures etc issued by the promoter or its agents and also in the demand note and/or any other payment related correspondence/ communication with the allottees and/or prospective allottees.

3(C). Transaction Account of the Project

3(C)(i). The Promoter shall maintain a 'Transaction Account of the Project' for each project registered with U.P. RERA separately.

3(C)(ii). The "Transaction Account of the Project" shall have the <name of the project> along with the name of the holder of the Separate Bank Account. For example, if the name of the Promoter is M/s ABC Ltd, and the name of the project is XYZ, then the name of the account should reflect as "ABC - RERA Transaction Account for XYZ".

3(C)(iii). Only upto thirty percent of the total amount received from the allottees of the project in its Collection account from time to time can be deposited in this account.

3(C)(iv). The account shall be used for meeting expenses other than directly related to the construction and development of the project.

3(C)(v). Such expenditures like refunds to the allottees can also be met from this account. All payments on account of the penalties, interest and compensation, etc shall be met from this account only or from other funds of the Promoter.

Note: The Promoter shall disclose all three accounts to the Authority with the application of registration of the project through the facility provided on its website.

4. Modalities for Operation of RERA Project Bank Accounts

4(i) While applying for registration of a new project in U.P. RERA, the promoter shall open the abovementioned three bank accounts in a scheduled bank of the district where the project is located.

4(ii) The promoter shall give written standing advice to the concerning bank where the three accounts have been opened for instant auto transfer of 70 percent of the money collected from allottees in collection account from time to time to the project separate account and not more than 30 percent to the transaction account of the project.

4(iii) The Promoter shall upload the second copy of the above standing advice and the affidavit in **Form RA-1** along with the application for registration of the project on the web-portal of U.P. RERA. The Promoter shall also submit the copies of the Passbook / latest Bank Statement of the proposed Accounts of the project along with the application for registration of the project.

4(iv) The accounts shall be opened by the bank in the name of the lead promoter only, if there are more than one promoters in a project.

4(v) The bank shall ensure that 70% of the amount collected in the collection account is auto transferred in the separate account of the project and 30% of the amount collected in the collection account is auto transferred in the transaction account of the project immediately after funds are deposited in the collection account.

4(vi) While opening the project accounts, the concerned bank branch will issue a letter in two copies on its letterhead in the format provided in Form RA-7 and mail one copy of the letter alongwith the standing advice given to it by the promoter directly to the Authority.

4(vii). The promoter shall also upload the copy of the bank letter with the application for registration of the project on web portal of U.P. RERA.

4(viii). The Authority will create necessary facility to enable the Promoter for submission of various forms/ applications/ affidavits, annexed to these directions, on its website.

4(ix). At the time of registration of the project with U.P. RERA, the promoter will also provide email address of the bank branch alongwith its IFS code etc. where the project accounts are opened by it so that the registration details can be emailed to the concerned bank and to the SLBC.

4(x). A facility will be created on U.P. RERA portal for communicating with the lead bank and through them with all the bank branches so that a fool proof arrangement of communication between U.P. RERA and bank is in place.

5. Withdrawals / Transfers from the Separate Account of the Project

5(i). Withdrawal of funds from this separate account of the project shall be permitted by the bank only to cover the cost of the project in proportion to the percentage of the completion of the project.

5(ii). As provided under the second proviso of section 4(2)(1)(D) of the Act, the amounts from the Separate Bank Account shall be withdrawn by the promoter only after it is certified by an architect, an engineer and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project.

5(iii). The Promoter will not use this Separate Account of the Project for day-to-day transactions. The Act provides that the Promoter can withdraw from this account an amount in proportion to the amount/funds that has/have already been paid/utilized on the construction and development work of the project as seen from the provisions of Section 4 (2) (1) (D) of the RERA Act. In the real estate sector, the material and labour contracts are often executed on credit basis and bill/invoice by the contractor is raised on timely basis for payment purposes. Accordingly, the Chartered Accountant will certify the expenditure/ expense on the CA certificate on Form REG-3 in following two parts:

- (a) That Rs Lacs has been actually spent on the on land, construction and development of the project and has not been spent on any item other than the purpose given in Section 4(2)(1)(d) and is, therefore, admissible for withdrawal from Separate Account.

(b) That Rs. is the amount for which bills/ invoices from the biller/ vendor/ contractor have been received for the work already rendered by them for the land, construction and development work of the project and being due for payment, are, therefore, admissible for payment from the Separate Account directly to the biller/ vendor/ contractor in their bank account as per attached list.

5(iv). Withdrawal / transfer by the bank from the Separate Account of the Project for the amount certified as admissible for withdrawal by the CA in 5(iii)(a) above shall be only to the Transaction Account of the Project as per admissibility certified by the Chartered Accountant. For the amount certified by the CA in 5(iii)(b) above as admissible on the basis of payable bills/ invoices, bank shall make payment directly in the bank account of the biller/ vendor/ contractor as per the details enclosed by the CA in his/her certificate on REG-3.

5(v). As provided under rule 5(1) of the U.P. RERA Rules 2016, for the purposes of sub-clause (D) of clause (1) of sub-section (2) of section 4, the land cost shall be the cost incurred by the Promoter, whether as an outright purchase, lease charges and will include the charges incurred to obtain the approval of the competent authority and as provided under rule 5(2), for the purposes of sub-clause (D) of clause (1) of sub-section (2) of section 4, the construction cost shall be the cost incurred by the Promoter, towards the on-site expenditure for the physical development of the project.

5(vi). The Promoter shall, with its every request for withdrawal of amount from the Separate Account of the Project, present to the bank the certificates by the Architect, the Engineer and the Chartered Accountant in form REG-1, REG-2 and REG-3 respectively as provided under the regulation 3 of the Uttar Pradesh Real Estate Regulatory Authority (General) Regulations, 2019. The chartered accountant issuing this certificate shall be an entity other than the statutory auditor of the Promoter.

5(vii). The Authority may permit the Promoter to withdraw the balance amount available in the 'Separate Account of the Project' after the completion of the project and fulfillment of the conditions provided under Section 11 of the RERA Act, as per the procedure given under paragraph 9 of these Directions.

6. Reporting to the Authority

6(i). The Promoter shall upload the three certificates submitted to the bank on the website of the Authority along with the quarterly progress report of the project. The promoter shall also submit the data of these three certificates on a digital form for which the facility will be provided by the Authority on its website.

6(ii). As provided under the third proviso of Section 4(2)(1)(D) of the Act, the Promoter shall get its project accounts audited within six months after the end of every financial year by a chartered accountant in practice and shall upload on the

website of the Authority a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

6(iii). The annual report of the statement of accounts shall be in Form REG-5 as provided under the regulation 4 of U.P. RERA Regulations, 2019. Attention of the Promoters is especially drawn to the Explanation 2 under the regulation 4 which reads as under:

Explanation:– If the Form REG-5 issued by the statutory auditor (alongwith UDIN) reveals that any certificate issued by the project architect, engineer or the chartered accountant has false or incorrect information and the amounts collected for a particular project have not been utilized for the project and the withdrawal has not been commensurate with the proportion to the percentage of completion of the project, the Authority, in addition to taking penal actions as contemplated in the Act and the Rules, shall also take up the matter with the concerned regulatory body of the said professionals i.e. architect, engineer or chartered accountant, for necessary penal action against them, including dis-memberment.

6(iv). The Promoter shall submit the details of any project finance availed for the project at the end of every quarter using the online facility on the website of the Authority in the format **Form RA-8**

Note 1: The chartered accountant certifying Form-REG-3 should be a “different entity” than the chartered accountant certifying Form-REG-5. All such certificates issued by CA shall be issued under UDIN.

7. Changing the Bank Accounts of the Project

The bank accounts of the project are most sacrosanct to the project and, once disclosed by the Promoter on the website of the Authority, shall be permitted to be changed under exceptional conditions only. The Authority, in the overall interest of the allottees and the proper management of the finances of the project, if satisfied by the justification given by the Promoter in its application for change of the bank account of the project in a manner given herein below, may permit to change the separate accounts of the project as declared on its website at the time of the registration of the project.

7(i). The Authority may consider a change in the bank accounts of the project under the following circumstances:

7(i)(a). The Promoter has not declared the bank account of the project at the time of the registration of the project with the Authority.

7(i)(b). The bank account declared on the website of the Authority is common to more than one project of the Promoter.

7(i)(c). The bank account declared on the website of the Authority is a general collection account of the Promoter and not a bank account of the project as clarified in these directions.

7(i)(d). The bank account is with a bank outside the district where the project is located. For ease of operation, the Promoters may be allowed to retain the accounts of the ongoing projects located in NCR with the banks located in Delhi and NCR.

7(i)(e). Existing project finance / credit facilities, if any, with a scheduled bank have been completely taken over by a new bank or a fresh project finance is availed by the promoter for the entire project registered in U.P. RERA.

7(i)(f). The Reserve Bank of India, under Banking Regulation Act, has issued directions to banking companies in general or to any banking company in particular, placing restrictions, where it is satisfied, on the operation of the bank account at a particular bank in the public interest or in the interest of banking policy or to prevent the affairs of any banking company being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the banking company or to secure the proper management of any banking company generally or for any other matter.

7(ii). In case the Promoter, after registration of the project, has availed part-financing of the project from a new lender or project finance from NBFCs / Alternate Investment Funds etc, the original three accounts declared at the time of registration shall continue and change of bank accounts shall not be allowed. In such cases the Promoter can utilize the inter-bank account facility as provided in RBI Circular No. DOR.CRE.REC.63/21.04.048/2021-22 dated. 29th October 2021 and reiterated in Circular No. DOR.CRE.REC.23/21.08.008/2022-23 dated. 19th April 2022 for facilitating transfer of amount of project finance to the Separate Account of the Project; however, the bank providing the part financing to the project will not have any lien on the Separate account for the purpose of repayment of installments etc.

7(iii). The Promoter can submit the online application for the change of the bank accounts of the project on the web-portal of U.P. RERA in the manner given hereinafter along with the specified documents.

7(iv). The application for change of bank accounts shall be submitted in **Form RA-3** given at the end of these Directions along with

- a) The bank statement of the present bank account reflecting the closing balance and account details as on the date of the application,
- b) A proof of opening of the proposed account,
- c) Copy of the written standing advice given to the concerning bank where the proposed account(s) have been opened for instant auto transfer of 70 percent of

the money collected from allottees in collection account from time to time to the project separate account and not more than 30 percent to the transaction account of the project.

- d) The details of the project finance in form of an affidavit on **Form RA-8 along with certificate from CA and the lending institution** as required in **para 10** below.

7(v) The request will be examined in the Finance Division of the Authority and, if approved in-principle by the Secretary, U.P. RERA, the promoter will be informed accordingly of the in-principle approval/ objections/ instructions etc as the case may be.

7(vi). Subsequent on the grant of in-principle approval by the Secretary, promoter shall close the existing account and transfer the funds therein to the new account. The promoter shall, within fifteen days, submit an affidavit to the Authority in **Form RA-4** using the online facility, along with

- a) Letter from the bank where the proposed accounts have been opened, on its letterhead in Form RA-7,
- b) Bank statement of the new account reflecting the opening balance, and
- c) Proof of closure of the existing account given by the concerned bank on its letterhead.

After receipt of RA-4 and other documents, approval of the Secretary will be sought. The new account will be updated on the website of the Authority accordingly and decision conveyed to the Promoter

8. Powers of the Authority on the Separate Accounts of the Project

8(i). The Authority, upon revocation of the registration of the project, shall direct the bank holding the bank accounts of the project, to freeze the accounts and thereafter take such further necessary actions, including consequent de-freezing of the said accounts, for facilitating the remaining development work of the project in accordance with the provisions of section 8 of the Act.

8(ii). The Authority may direct the Promoter to furnish to it such information relating to the accounts of the project as it may deem fit in the interest of the allottees or get the bank accounts of the project, along with any other account(s) in which the money collected from the allottees of the project raised by way of the project finance, might have been appropriated, verified/ audited by an auditing firm/auditor/chartered accountant from time to time in discharge of its functions under section 34 and 37 of the Act and rule 19 (o) of the U.P. RERA Rules and other enabling provisions of the Act and the Rules. The Promoter shall promptly provide such information, facilitate such auditor or the chartered accountant and provide all the information and

documents as may be required to complete such verification or the audit, as the case may be, under the orders of the Authority.

8(iii). The cost of such audit or verification of the account of the project shall be borne by the Promoter in the manner as decided by the Authority.

9. Closure of the Separate Account on Completion of the Project

The Promoter shall apply online on the website of the Authority for its permission to close the separate account of the project after the completion certificate of the project has been received from the competent authority, with a copy of the following documents:

- (1) completion certificate from the competent authority,
- (2) architect certificate in form RA-5,
- (3) final Form-REG-3 duly certified by the Chartered Accountant and
- (4) an affidavit in form RA-6 duly certified by the authorized signatory of the Promoter that it has paid all the outgoings as provided under section 11 (4) (g) of the Act.
- (5) an affidavit confirming that all the liabilities pertaining to refund order of U.P. RERA and penalties and /or late fee etc. If any, imposed by U.P. RERA as per provisions of the Act, the Rules and the Regulations have been discharged by the promoter.

If satisfied, the Authority may grant permission to the Promoter to close the separate account of the project and withdraw the balance amount, if any. However, the Promoter will not be absolved of any responsibilities undischarged by it and not disclosed by it to the Authority at the time of the application for the closure of the separate account of the project.

10. Disclosure of Project Finance by the Promoter

At the time of registration of the project, the Promoter shall also upload the following documents, wherever applicable, for disclosing the status of financing/ unsecured loan availed by it for the concerned project:

10(i). An affidavit for details of all the existing/proposed secured and/or unsecured loans related to the project applied for registration. The information shall certainly contain the following:

- a) Name of the Lender
- b) Address of the Lender Branch
- c) Date of Borrowing / Disbursement
- d) Amount Sanctioned
- e) Amount Disbursed

- f) Outstanding amount as on the date of application
- g) Details of mortgage (if any)

Note: The information shall be in a tabulated form as given in the affidavit form in **Form RA-8** and shall contain the details related to the relevant project only.

10(ii). A certificate issued by a Chartered Accountant (CA) in practice confirming all the borrowings as on the date of application (whether secured or unsecured) related to the project shall be attached with abovementioned affidavit to be given on Form RA-8. The certificate must contain the details of all the existing charges available on the MCA Portal as on the date and if the same relates to the project under consideration.

10(iii). A certificate issued by the lender confirming the details of the following:

- a) Project for which the amount was lent to the promoter; and
- b) The details of the security provided for the amount lent.

11. Obligations of the Banks

11(i). Banks shall be obliged to follow the provisions of opening, operating, and closing of RERA Project Accounts as per Real Estate Project (Maintenance and Operation of Project Bank Account) Revised Directions, 2023 issued hereunder.

11(ii). Banks shall warrant Promoters to open / maintain three bank accounts namely 'Collection Account of Project', 'Separate Account of Project' and 'Transaction Account of Project' for all projects registered on or after 1st April 2021.

11(iii). Banks shall follow the nomenclature prescribed in these directions for the three bank accounts.

11(iv). Banks shall be obliged to take a written standing advice from Promoters at the time of opening of the three accounts for end-of-day auto-transfer of funds deposited in the 'Collection Account of the Project' in a proportion of seventy (70) percent to 'Separate Account of the Project' and thirty (30) percent to 'Transaction Account of Project'.

11(v). Banks shall ensure that the withdrawals / transfers from the 'Separate Account of the Project' are either to the 'Transaction Account of the Project' or directly to the biller/vendor/contractor as certified respectively by the CA.

11(vi). Banks shall not allow any lien by any bank, NBFC, lender and/or investor or by any institution/ person etc to be placed on the Separate Account of the project.

11(vii). In case of any suspicion on the quantum of withdrawal made admissible from the Separate Account, the concerned bank must bring the issue in the knowledge of the Authority before allowing the withdrawal.

11(viii). Banks shall ensure that cheque book, debit card and/ or net banking facility and any other means of withdrawal of funds from 'Collection Account of the Project' and 'Separate Account of the Project' which are prohibited under the provisions of these directions, is not provided by the banks where these accounts are opened. .

11(ix). Banks shall issue two copies of letter in the format provided in **Form RA-7** upon opening of the accounts. One copy of the letter to be given to the Promoter and another copy of the letter to be directly sent to the Authority at the following address by post and by e-mail :

The Secretary

Uttar Pradesh Real Estate Regulatory Authority

Naveen Bhavan, Rajya Niyojan Sansthan

Kala Kankar House, Old Hyderabad, Lucknow – 226007

e-mail: contactuprera@up-rera.in

11(x). Banks shall be obliged to allow withdrawal from Separate Account of the project only after receiving the Architect, Engineer and Chartered Account certificates from the Promoter and verifying the expenditure from these certificates. The banks shall, therefore, necessarily ask the Promoter to submit latest certificates as given by the Architect, Engineer and Chartered Account in the prescribed formats for the progress of the project and admissible expenditure on it.

11(xi) Banks must ensure that the certificate(s) signed by the Chartered Accountant necessarily includes UDIN (Unique Document Identification Number).

11(xii). Banks shall allow withdrawals / transfers from the Separate Account of the Project only upon satisfactory assessment of the three certificates that the amount requested can be withdrawn / transferred as per the certificates.

11(xiii). Banks while doing due diligence for opening and operating a project account or financing a real estate project must verify every parameter available on the U.P. RERA portal (www.up-rera.in) . The details of all the promoters and projects registered with U.P. RERA are available in public domain on U.P. RERA web-portal.

11(xiv). Banks shall restrict withdrawals / transfers from the 'Separate Account of the Project' upon lapse of registration of the project.

11(xv). In the eventuality of any orders of the Authority for freezing/ de-freezing of any of the project accounts, the banks shall immediately comply with such orders and shall accordingly freeze/ de-freeze the concerned account(s).

Non-compliance of these directions by the Promoter in any manner will be punishable under section 60 and 63 of the RERA Act with penalty which may be up to five percent of the cost of the project.

The Real Estate Project (Maintenance and operation of Separate Bank Account) Revised Directions, 2020 issued vide no. 10460/ Separate Account/ F&A/@020-21 dated 24-12-2020 stand substituted with these directions.

These directions shall come into force with immediate effect.


Encl: As above.


(Pramod Kumar Upadhyay)
Secretary

No. and date: As above

Copy forwarded to the following for information and necessary action:

1. Hon'ble Chairman, U.P. RERA.
2. All the Hon'ble Members, U.P. RERA
3. Additional Chief Secretary, Housing and Urban Planning, Govt. of Uttar Pradesh.
4. Principal Secretary, Department of Industrial Development, Govt. of Uttar Pradesh.
5. Director General, Banking, Govt of U.P. for ensuring the compliance by banks.
6. The Regional Director, Uttar Pradesh, Reserve Bank of India, Financial Inclusion and Development Department, 2nd Floor 8-9, Vipin Khand, Gomti Nagar Lucknow -226010
email-fiddlucknow@rbi.org.in
7. General Manager, S.L.B.C. Uttar Pradesh for ensuring the compliance by banks.
8. Zonal/ Regional Managers, of all the scheduled banks, U.P. for ensuring the compliance by their bank branches.
9. The Chairman/ Deputy Secretary, Central India Regional Council, ICAI, Plot No. 9, Block A1, Lakhanpur, Kanpur, U.P. 208024 for ensuring its circulation in all the branches of ICAI in U.P. and Delhi for strict compliance by the Chartered Accountants.
10. All the competent authorities, Uttar Pradesh.
11. Adjudicating officers, U.P. RERA.
12. Principal Advisor, U.P. RERA.
13. Finance Controller, U.P. RERA.
14. All officers, U.P. RERA.
15. A.D. (Systems), U.P. RERA for uploading the copy of these directions on the web portal of U.P. RERA under Legal section.
16. Project Management Unit, U.P. RERA
17. All promoters of projects registered in U.P. RERA.
18. Guard file.


(Pramod Kumar Upadhyay)
Secretary

Form – RA-1

Affidavit for Bank Accounts of Project (Notarized)

(For New Registration only)

To,

Uttar Pradesh Real Estate Regulatory Authority

Sub: Affidavit / Declaration for Bank Accounts for the Project

I, _____ Promoter of the proposed project / duly authorized by the Promoter of the proposed project, do hereby solemnly declare, undertake and state that the following bank accounts have been opened for the project _____ (Name of Project).

I undertake that I have given written standing advice to the undermentioned bank where the three accounts have been opened for instant auto transfer of 70 percent of the money collected from allottees in collection account from time to time to the project separate account and not more than 30 percent to the transaction account of the project.

Sr	Details	Collection Account	Separate Account	Transaction Account
1.	Name of Account			
2.	Account Number			
3.	Bank Name			
4.	Branch Name			
5.	Branch Address			
6.	IFSC Code			
7.	Branch email ID			
8.	Branch phone no.			

I also undertake that any secured / unsecured project finance availed for the project will be deposited in the separate account only.

Deponent

Verification

The Contents of this Affidavit cum Declaration are true and correct and nothing material has been concealed by me therefrom.

Verified by me at _____ on this _____ date of _____.

Deponent

Form – RA-2

Affidavit for Bank Accounts (Notarized)

**(For updating Collection and Transaction accounts also
alongside of Separate Account, for Projects already registered
with U.P. RERA before 1st April, 2021)**

To,

Uttar Pradesh Real Estate Regulatory Authority

_____ ,

Sub: Affidavit / Declaration for updating Collection, Separate and Transaction Account for Projects Registered with U.P. RERA.

I, _____ Promoter of the Project _____ Project Registration ID _____, duly authorized by the Promoter of the said project, do hereby solemnly declare, undertake and state that I intend to also update the Collection and Transaction accounts the Project in its registration details.

I undertake that the Separate Account of the Project _____ Project Registration ID _____ is already operational as per provisions of Section 4(2)(I)(D) of the RERA Act, 2016.

Accordingly, the following details of the three bank accounts are submitted for the above mentioned project:

Sr	Details	Collection Account	Separate Account	Transaction Account
1.	Name of Account			
2.	Account Number			
3.	Bank Name			
4.	Branch Name			
5.	Branch Address			
6.	IFSC Code			
7.	Branch email ID			

8.	Branch phone no.			
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I undertake that I have given written standing advice to the abovementioned bank where the three accounts have been opened for instant auto transfer of 70 percent of the money collected from allottees in collection account from time to time to the project separate account and not more than 30 percent to the transaction account of the project.

I also undertake that any secured / unsecured project finance availed for the project will henceforth be deposited in the separate account only.

Deponent

Verification

The Contents of this Affidavit cum Declaration and the supporting documents are true and correct and nothing material has been concealed by me therefrom.

Verified by me at _____ on this _____ date of _____.

Deponent

Note: Form RA-2 will be required to be submitted by the promoter along with Form RA-3, in case a request for updation of collection and transaction accounts is made by it for its projects registered before 1st April, 2021.

Form – RA-3

Application for Change in Bank Account of the Project
(To be submitted separately for each account type)

To,
Uttar Pradesh Real Estate Regulatory Authority
_____,

Sub: Application for change in Bank Account of the Project

Ref: Project Name: _____, Promoter Name: _____,
Project Registration No. _____

Dear Sir,

1. With reference to the above-mentioned subject, I / We would like to apply for the Authority's approval for change in the Bank Account as per the following details:

Present Bank Account	
Type of Account	Collection Account / Separate Account / Transaction Account
Bank Name	
Branch Name	
Branch Address	
Account No.	
IFSC Code	
Branch email ID	
Branch Phone no.	
Closing Balance as on (Date)	
Proposed Bank Account	
Name of Bank Account	
Bank Name	
Branch Name	
Branch Address	

Account No.	
IFSC Code	
Branch email ID	
Branch Phone no.	

Reason for Change of Bank Account	
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2. The written standing advice given by me/us to the bank where the proposed account(s) has/have been opened is enclosed herewith.
3. The details of the project finance in form of an affidavit on **Form RA-8** along with certificate from CA and the lending institution as required in para 10 of the Project Bank Accounts Directions as revised in October, 2023
4. I/We solemnly affirm and declare that the particulars given herein are correct to my/our knowledge and belief. In support of the declaration, I/We have attached a copy of passbook / bank statement of the current and proposed bank Account.
5. I / We further undertake that I shall freeze all transactions from the current Bank Account after U.P. RERA informs its approval on the Bank Account change application.

Dated: _____

Place: _____

Enclosures:

- 1. Copy of statement of present bank account(s),**
- 2. Proof of opening of the proposed bank account(s),**
- 3. Copy of written standing advice given to the bank where proposed bank account(s) is/are opened.**
- 4. Affidavit on Form RA-8 along with certificate from CA (with UDIN) and the lending institution**

Yours faithfully,

Name, Signature and Seal of the Promoter / Authorized Signatory

Form – RA-4

Affidavit for Confirmation of Change in Bank Account (Notarized)

To,

Uttar Pradesh Real Estate Regulatory Authority,

_____,

Sub: Confirmation of change in Bank Account

Ref: Project Name: _____, Promoter Name: _____,
Project Registration No. _____

With reference to my / our application for change in Bank Account dated _____ and as per the terms and conditions mentioned in the in-principal approval received from the Authority dated _____,

1. I/ We confirm that the Bank Account has been changed and an amount of Rs. _____ (In Words: _____) has been transferred to the new Bank Account.
2. I/ We confirm that the letter from the undermentioned bank on **Form RA-7** is enclosed with this affidavit.
3. I/ We confirm that the proof of closure of the existing account given by the bank is enclosed with this affidavit.
4. I/ We confirm that the bank statement of the new account is enclosed with this affidavit.
5. I also undertake that any secured / unsecured project finance availed for the project will henceforth be deposited in the separate account only.
6. I/We undertake that I shall operate the Bank Account in compliance with RERA Act, Rules and Regulations and Project Account Directions.

New Bank Account	
Type of Account	Collection Account / Designated Account / Transaction Account
Name of Bank Account	
Bank Name	
Branch Name	
Branch Address	

Account Holder Name	
Account No.	
IFSC Code	
Branch email ID	
Branch Phone no.	
Closing Balance as on (Date)	

Enclosures:

1. Letter from bank in Form RA-7
2. Statement of the new bank account
3. Proof of closure of the existing account given by the bank

Deponent

Verification

The Contents of this Affidavit cum Declaration are true and correct and nothing material has been concealed by me therefrom.

Verified by me at _____ on this _____ date of _____.

Deponent

Form – RA-5

ARCHITECT'S CERTIFICATE

(To be issued on completion of entire project)

Date:

To

The _____ (Name & Address of Promoter)

Subject: Certificate of Completion of Construction Work of _____ Building / _____ Wing of the Building with common development and civic infrastructure of the Project (UPRERA Registration Number) situated on the Plot bearing C.N. No./CTS No./Survey No./Final Plot No _____ demarcated by its boundaries (latitude and longitude of the end points) _____ to the North _____ to the South _____ to the East _____ to the West of Division _____ village _____ taluka _____ District _____ PIN _____ admeasuring _____ sq.mts area being developed by Promoter's Name) _____.

Sir,

I/We _____ have undertaken assignment as Architect / Engineer of certifying completion of Construction Work of _____ Building / _____ Wing of the Building with common development and civic infrastructure situated on the plot bearing C.N. No./CTS No./Survey No./Final Plot No _____ of Division _____ village _____ taluka _____ District _____ PIN _____ admeasuring _____ sq.mts area being developed by Promoter's Name) _____.

Following technical professionals are appointed by Owner / Promoter: - (as applicable)

- (i) Mr/Ms/Mrs. _____ as Architect / Engineer
- (ii) Mr/Ms/Mrs. _____ as Structural Consultant
- (iii) Mr/Ms/Mrs. _____ as MEP Consultant
- (iv) Mr/Ms/Mrs. _____ as Site Supervisor / Clerk of Works

Based on the Completion Certificate received from Structural Engineer and Site Supervisor / Clerk of Works and to the best of my/our knowledge I/We hereby certify that _____ Building / _____ Wing of the Building has been completed in all aspects and is fit for occupancy for which it has been erected / re-erected / constructed and enlarged. The _____ Building/ _____ wing of the Building has been granted

Occupancy Certificate / Completion Certificate bearing number _____ dated _____ by _____ (Local Planning Authority).

I further certify that all common amenities and civic infrastructure i.e., Common plot internal approach road, Internal storm water drainage, water supply, drainage network, percolation well, lights, parking lots etc. has been completed in all aspects and is fit for use.

Your faithfully

Signature & Name (IN BLOCK LETTERS) of L.S. / Architect with (License No.....)

Form RA-6 – Affidavit (Notarized)

I, _____ age _____ years, residing at/having office at _____, Promoter of the _____ Real Estate project/duly authorized by Promoter of the _____ Real Estate project vide his/their authorization dated _____ in this regard, do hereby solemnly declare, undertake and state on oath in compliance of Section 17 of the Real Estate (Regulation and Development) Act, 2016 as under:

1. That, I/Promoter have/has registered our/their _____ Real Estate project under the Real Estate (Regulation and Development) Act, 2016 with Uttar Pradesh Real Estate Regulatory Authority vide Registration no. _____ dated _____.
2. That, the said project is completed and has received Completion Certificate no. _____ dated _____ issued by _____.
3. That, all the development work and construction of the common areas and facilities of the said project has been completed and is ready to use.
4. That, project Architect Mr. / Ms. / Mrs. _____ whose COA no. is _____ has given Form-RA-5.
5. That, Chartered Accountant, Mr. / Ms. / Mrs. _____ Registration no. _____ has given final Form-REG-3.
6. That, till date out of the total _____ units, we have booked _____ number of units and balance _____ number of units are still pending.
7. That, I/Promoter have not availed any loan/the loan has been paid off, and as such there is no Encumbrance on the legal titles or rights of the Allottees or the Association of Allottees of the said project.
8. That, I/Promoter or contractor engaged at project _____ have paid Rs. _____ towards all the applicable Labour cess under Building and Other Construction Workers Welfare cess Act, 1996 to the Government Authorities and I hereby submit the Payment receipt in this regard.
9. That, I/Promoter have paid all the sums due to the Government Authorities.
10. That, all necessary compliances under the Real Estate (Regulation and Development) Act, 2016 and Rules made thereunder have been completed by _____ (date). Date of my said project completion is _____ as indicated in my RERA Registration.
11. That all certificates / documents as required in Direction 8 of the Real Estate Project (Maintenance of Separate Bank Account) Directions 2020 have been submitted to U.P. RERA / uploaded on RERA portal.

Deponent

Verification

The Contents of this Affidavit cum Declaration are true and correct and nothing material has been concealed by me therefrom.

Verified by me at _____ on this _____ date of _____.

Deponent

Form – RA-7

**Confirmation of Standing Advice for Auto-Transfer Between RERA
Project Accounts**

(On Bank Letter Head)

To,

The Secretary

Uttar Pradesh Real Estate Regulatory Authority

_____ ,

Sub: Confirmation of Receipt of Standing Advice for Auto-Transfer from Collection Account to Separate Account and Transaction Account of the Project and opening of the accounts accordingly.

Sir,

With reference to the Real Estate Project (Maintenance and Operation of Separate Bank Account) Revised Directions, 2023 issued by Uttar Pradesh Real Estate Regulatory Authority, we hereby confirm that the three banks accounts have been opened by M/s _____ for the project _____ in our bank branch with following details:

- Address of the branch:
- IFS code:
- Phone number with STD code:
- E-mail of the branch:

We hereby also confirm the receipt of following standing advice given by the promoter with respect to three banks accounts

1. The three bank accounts, namely 'Collection Account', 'Separate Account' and 'Transaction Account' have been opened as prescribed in Real Estate Project (Maintenance and Operation of Separate Bank Account) Revised Directions, 2023.
2. The nomenclature of the three bank accounts is as follows:

Account Type	A/c Number	Name of Account
Collection Account		
Separate Account		

Transaction Account		
---------------------	--	--

3. The standing advice for end-of-day auto-transfer of money deposited in the Collection Account in a proportion of 70% to Separate Account and 30% to Transaction Account has been applied.
4. Cheque book, debit card and/or net banking facility, issuance of demand draft, bank guarantee etc shall not be provided for the Collection Account and Separate Account.
5. Withdrawal / transfer from the Separate Account of the Project shall be allowed only upon assessment of the Architect, Engineer, and Chartered Account certificates given by the promoter

This is to confirm that the accounts as opened by the promoter M/s for the project shall be operated as per above standing advice given by the promoter.

Yours faithfully,

Signature of the Concerned Branch Manager

Name and Signature number of the Concerned Branch Manager

Seal of the concerned bank branch/ Branch Manager

Form – RA-8

Affidavit for Declaration on Credit Facilities Availed for the Project

(On Company/ Promoter's Letter Head)

To,

The Secretary

Uttar Pradesh Real Estate Regulatory Authority

_____,

Sub: Affidavit / Declaration on Credit Facilities Availed for the Project

1. I, _____ Promoter of the proposed project / duly authorized by the Promoter of the proposed project, do hereby solemnly declare, undertake and state that as on date given in the verification below the following credit facilities (secured / unsecured) have been availed/are in the process of finalization for project _____ (Name of Project).

	Details	
a.	Name of Lender	
b.	Address of Lender's Office / Branch	
c.	Date of Borrowing / First Disbursement	
d.	Amount Sanctioned	
e.	Amount Disbursed	
f.	Outstanding Amount as on date of affidavit.	
g.	Details of Project Assets given as Mortgage / Security	

2. I undertake that funds from the declared credit facility will be deposited in the separate account only.

3. I also confirm that the certificate given by the Chartered Accountant (including UDIN) Sri/ Smt./ Ms.membership no. certifying all the borrowings on date, as required under para 10(ii) of the Project Account Directions issued by U.P. RERA is enclosed with this affidavit.

4. I confirm that the certificate issued by the lending bank/ institution namely, as required under para 10(ii) of the Project Account Directions issued by U.P. RERA is also enclosed with this affidavit.

Deponent

Verification

The Contents of this Affidavit cum Declaration are true and correct and nothing material has been concealed by me therefrom.

Verified by me at _____ on this _____ date of _____.

Deponent