

<p>MAHARERA CA. Ashwin Shah</p>	
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EXTENSION OF TIMELINE OF COMPLETION OF PROJECT :-

Hon'ble Finance Minister during the Press Conference dt 13th May 2020 have suggested certain relief measures for Real Estate Sector :-

Ministry of Housing and Urban Affairs will make recommendation to State Government and UTs to further instruct various Real Estate Regulatory Authority to announce relief measures.

The outbreak of COVID 19 shall be treated as Force Majeure for the purpose of extension of timeline of the completion of the project.

Regulatory Authorities may on Suo Moto basis without inviting any application , automatically revise the timeline of completion of the project by six month

However, benefit of automatic extension of timeline of completion of the project will be available to those project whose project completion date expires on or after 25th March , 2020.

Revised Certificate of Project Registration shall be generated and uploaded by Regulatory Authorities mentioning revised date of project completion by adding six month period therein.

Regulatory Authorities may further grant extension of three month as per merit of the case on application therefor.

It is also recommended to extend the timeline of various statutory compliances by Promoter on concurrent basis.

Maharashtra , Rajasthan and Gujarat Regulatory Authorities have already adhered to the instruction of State Government and issued necessary orders in this regard for extension project completion timeline by six month. However, MahaRera has further granted relief of force majeure period for interest and compensation payable u/s 12,14,18, and 19 of the Act. Further, order dated 18th May 2020 of MahaRera does not specify that automatic extension of timeline for completion of project by six month shall only be available to those project whose timeline were expiring on or after 25th March , 2020.

Representations are made by the group of Developers before Central Government to keep on hold all proceedings of dispute mechanism for certain period and the same is not yet disposed of by the Central Government.

The relief measures suggested by Central Government for extension of timeline of project completion by six month may not be sufficient as Developer community perceives that impact of halt of economic activities due to lockdown and reduction in purchasing power of the people will impact cash flow of the Real Estate Sector for longer period.

It is further represented by the Developers Association that all the section namely Section 12,14,18,19 , which entitles allottees to claim either refund of monies with interest and compensation or interest for delayed period of possession , shall be removed from Real Estate (Regulation & Development) Act, 2016 looking at the cash crunch and other impacts originating from COVID 19.

However, allottees who have availed Housing loans are though allowed certain moratorium period for deferring EMI but no relief has been granted for waiver of interest component for the period which are covered by COVID 19.

The litigation on this front is likely to increase as the allottees would be aggrieved for the reason of non waiver of interest on Housing loan and grant of relief to developer for extension of timeline for the purpose of interest and compensation payable u/s 12,14,18, and 19 of the Act.