

S. No.	Provisions in the 2013 Bill	As Amended by the Modi Government	Comments
1	Section 2 (j) "carpet area" means the net usable floor area of an apartment, excluding the area covered by the walls.	Section 2 (j) "carpet area" means the net usable floor area of an apartment, excluding the area covered by the walls. Explanation -For the purpose of this clause, the term "net usable floor area" shall mean the "rentable area" as defined under the National Building Code, 2005 or its later versions, as applicable.	The added explanation defeats the uniformity sought to be brought in through the concept of carpet area. The term "rentable area" enables the builders to confuse and misguide the buyers in regard to the actual area being offered. Moreover, it has been linked to National Building Code, 2005 or its latest versions. Which means it can be easily changed later without even coming to Parliament.
2	Section 6 - The registration granted under section 5 may be extended by the Authority on an application made by the promoter under such conditions as may be prescribed and in such form and on payment of such fee as may be specified by the regulations made by the Authority:	Section 6 - The registration granted under section 5 may be extended by the Authority on an application made by the promoter due to force majeure or under such conditions as may be prescribed which may include issue of completion certificate, approvals etc. without default on the part of the promoter, and in such form and on payment of such fee as may be specified by the regulations made by the Authority:	The proposed legislation which was aimed to curb the endless delays on part of the builders, has now been weakened by allowing extension to builders on account of any procedural delays including those on part of the builder himself. For e.g. delay in obtaining completion certificates and approvals (approvals were sought to be pre-requisite before launching real estate projects).

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3	<p>The builder was not allowed to alter the proposed structure from what was offered by him.</p> <p>Section 14 of the Bill obligated the builder to rectify any structural defects that may occur in a building up to after 2 years of handing over of possession to the buyer.</p>	<p>Section 14(2)(i)</p> <p>Newly introduced proviso w.r.t. alteration of structural designs: Provided the promoter may make such minor additions or alterations as may be required by the allottee, or such minor changes or alterations as may be necessary due to architectural and structural reasons duly recommended and verified by an authorized Architect or Engineer after proper declaration and intimation to the allottee.</p> <p>Section 14(2)(ii)- any other alterations or additions in the plans, structural designs and specifications of the buildings or the common areas within the project without the previous written consent of at-least two-thirds of the allottees, other than the promoter, who have agreed to take apartments in such building.</p>	<p>Scope of Section 14 has been majorly reduced. Under the new amendments, the responsibility of the builder towards future defects in the structural designs, has been waived off.</p> <p>In addition to this the new provisions in Section 14 of the proposed law now freely permits the builder to make alterations in the structural design and specifications of the building even though such alterations may make the product completely different from the terms at the time of sale to the buyer. Obtaining two-thirds of the allottees consent would not be difficult at all because of the deletion of quarterly disclosure of sales. (kindly look at the next point)</p>
4	<p>Section 11(1)(b) The Promoter shall give the following details:</p> <p>“quarterly up-to-date list of number and types of apartments or plots, as the case may be, booked;”</p>	Section 11(1)(b) has been deleted.	The relevant provision proposed to make sale and purchase ‘transparent’ in the ailing real-estate sector. This step also envisaged to curb black money transaction by ensuring that no false market is created by dummy bookings and list of genuine buyers is timely uploaded.

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5	"Section 4(2)(i)(D) that seventy per cent., or such lesser per cent. as notified by the appropriate Government, of the amounts realised 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 within a period of fifteen days of its realisation to cover the cost of construction and shall be used only for that purpose."	"Section 4(2)(i)(D) that fifty per cent., or such lesser per cent. as notified by the appropriate Government, of the amounts realised 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 within a period of fifteen days of its realisation to cover the cost of construction and shall be used only for that purpose."	<p>This clause was introduced with the aim to ensure timely completion of projects. In the past, there have been enormous incidents wherein the builders siphon off the money realised from buyers and leave the project incomplete. The focus was also to prevent diversion of funds which is the genesis of black money and very prevalent in real estate sector.</p> <p>Due to the pressure from the real estate lobby, this clause has now been eased by lowering the builders obligation from 70% to 50% in regard to the amount realised from a particular project.</p> <p><u>Views of Standing Committee on the provision</u> (Extracts from the Feb, 2014 report of the Standing Committee):</p> <p>Para - 3.38 During the Course of oral evidence, Secretary, Department of Financial Services, Ministry of Finance deposed as under: "70% will go to escrow account, it is a good suggestion. It is very important this will lead to prevention of diversion of funds and black money both of which are prevalent in real estate sector. On the whole it is a welcome</p>

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6	Section 4(2) The promoter shall enclose the following documents along with the application referred to in sub-section (1), namely...	Section 4(2) The promoter shall enclose the following documents, certifying its authenticity by an architect and a chartered accountant in practice, along with the application referred to in sub-section (1), namely..	Section 4(2) has been amended to protect the buyer and shift the onus from him to chartered accountants and architects, in case of default.
7	Section 5 – Grant of Registration to Real Estate Project	Provided that the Authority may carry out post registration verification of the application and pass such orders within three months, as deemed necessary in case of incomplete or defective applications, including revocation of registration under section 7:	Provision for prior scrutiny of project applications before grant of registration/ commencement certificate was introduced to oppress any subsequent malpractices that may victimize the buyer. However, the provision has been diluted giving leeway to builders who can now obtain commencement certificates without being qualified for the same.
8	Section 4(1)(e) proforma of the agreements proposed to be signed with the allottees;	Section 4(1)(e) proforma of the agreement of sale proposed to be signed with the allottees;	The Bill introduced by the UPA provided that 'all' builder buyers agreements (including fitting fixtures, furnishing agreements) will be scrutinized by the Authority, however the section has now been ammended to favour the builders lobby by reducing the scope of the provision to only 'agreement to sell'. This gives a free pass to the builder to easily get away in an event of violation of terms of agreements not covered under this section.

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9	No such provision like newly introduced Section 11(4)(d)	Newly introduced Section 11(4)(d) "take steps for the registration of conveyance deed of the apartment, plot or building, as the case may be, to the allottee after handing over physical possession and the common areas to the association of allottees or competent authority, as the case may be, as provided under section 15 of this Act."	Under the UPA Bill in Section 15 it was intended that immediately after the completion of the project, the builder will take steps for registration of conveyance deed of the apartment in favour of the buyer. However, the Modi Government has surprisingly diluted this clause and now the builder is allowed to defer the registration till the time an Association (RWA)/ Society is not formed by the allottees/ buyers.

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10	<p>Section 25. (1) The Chairperson or a Member (of the Real Estate Regulatory Authority), ceasing to hold office as such, shall not—</p> <ul style="list-style-type: none"> (a) accept any employment in, or connected with, the management or administration of, any person or organisation which has been associated with any work under the Act, from the date on which he ceases to hold office: 	<p>Newly introduced - Section 43A. (1) The chairperson or Judicial Member or Technical or Administrative Member, ceasing to hold office as such, shall not for a period of two years from the date on which they cease to hold office.</p> <ul style="list-style-type: none"> (a) accept any employment in, or connected with, the management or administration of, any person or organisation Administrative which has been associated with any work under the Act, the date on which he ceases to hold office (b) act, for or on behalf of any person or organization in connection with any specific proceeding or transaction or negotiation or a case to which the Authority is a party and with respect to which the Chairperson or Judicial Member or Technical or Administrative Member had, before cessation of office, acted for or provided advice to, the Authority; (c) give advice to any person using information which was obtained in his capacity as the Chairperson or Judicial Member or Technical or Administrative Member and being unavailable to or not being able to be made available to the public; (d) enter into a contract of service with, or accept an appointment to a board of directors of, or 	<p>Section 25(1) of the Bill introduced by the UPA forbidded the members to accept any future employment connected with management of any builder organisation. The intention was to curb down any unholy nexus between the Builders and the Authority i.e. the nodal agency to mantain transparency and protect the interest of consumers.</p> <p>The Modi Government has made a repulsive ammenment in the said provision by introducing Section 43A. Now under the new Real Estate Bill, the members of the Real Estate Regulatory Authority are free to join the real estate companies 2 years after they cease to hold office.</p> <p>This provision will certainly facilitate illicit relations between the sitting members and real estate sharks, needless to say that after-retirement proposals from real estate companies can easily influence the decision of the authority in an ogoing matter.</p> <p>Moreover, the appointments of the Authority Members will also be influenced by the builders.</p>

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11	Section 61. (1) For the purpose of adjudging compensation under sections 12, 14 and section 16, the Authority shall appoint any officer not below the rank of Joint Secretary to the State Government to be an adjudicating officer for holding an inquiry in the prescribed manner, after giving any person concerned a reasonable opportunity of being heard:	Section 61.(1) For the purpose of adjudging under sections 12, 14, 16 and section 17, the Authority shall appoint, in consultation with the appropriate Government, one or more judicial officer as deemed necessary, who is or has been a District Judge to be an adjudicating officer for holding an inquiry in the prescribed".	Section 61(1) was intended to provide a simplified mechanism of redressal to the buyer incase the builder attempts to cheat him by projecting false advertisements, fails to give possesion in time etc. Under the UPA Bill, the redressal authority was to be an executive functionary of an officer of the rank of Joint Secretary or above. This pro-buyer provision has also been diluted by replacing it with a complex judicial process. Under the new Bill, the consumers will now have to raise their issue before a Judicial Authority i.e. a District Judge.

In a nutshell: the emphasis of the Bill has shifted from the Common man to the advantage of the Builder.