

**GOVERNMENT OF INDIA  
HOUSING AND URBAN POVERTY ALLEVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2993  
ANSWERED ON:15.03.2011  
FLATS BY CONSTRUCTION COMPANIES  
Saroj Smt. Sushila

**Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:**

(a) whether the Government has received complaints regarding malpractices of several construction companies involved in construction of residential flats in the National Capital Region regarding misleading and fleecing money from buyers; and

(b) if so, the details thereof and the action taken/proposed to be taken against them?

**Answer**

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION (KUMARI SELJA)

(a) & (b) : 'Land' and 'Colonisation' being states subjects, the primary responsibility for regulating/controlling the unscrupulous builders rests with the State Governments/Urban Local Bodies (ULBs)/Development Authorities under the provisions of respective State Town & Country Planning/Development Authority Acts. Details of defaults by the builders, if any, are therefore, not maintained by the Ministry.

In order to promote planned and healthy real estate development of colonies and apartments with a view to protecting consumer interest on the one hand and to facilitate smooth and speedy urban construction on the other; Ministry of Housing & Urban Poverty Alleviation drafted a draft Model Real Estate (Regulation of Development) Act 200 \_\_\_\_\_. The draft bill was put in public domain through website of the Ministry (<http://mhupa.gov.in>) in August, 2009. Comments/suggestions on the draft bill were invited from public and other stakeholders including State Governments and Union Territory administrations, business chambers. More than 350 comments were received from real estate associations, real estate developers, consumers and State Governments.

The Ministry of Housing & Urban Poverty Alleviation discussed the comments received and the issues raised with representatives of the State Governments in a meeting held in March, 2010 and then in a series of Workshops held in April, 2010, in order to prepare the second draft with the participation of urban development and urban law experts from some of the states. This draft was placed before a wider group of states, developers and experts in another round of consultations held on 11th June, 2010. However, through different consultations, the basic structure of the earlier model bill has undergone substantial changes and the Ministry had accordingly referred the matter to Ministry of Law & Justice to advice as to whether it would be appropriate to legislate in the matter by the Union Government or otherwise.

Ministry of Law & Justice has opined that while some aspects of the proposed bill are in state jurisdiction, some of the issues being covered fall under Concurrent List and under the Concurrent jurisdiction. In keeping with the advice of the Ministry of Law & Justice, the law is being redrafted as a bill that may be posed to Parliament under the Concurrent List. Consultations and examination therefor are ongoing. The scope of the bill therefore, is under deliberation and no timeframe for its firming up can be assigned at this stage. Further, for the Government to proceed to the stage of implementation of legislation it would be necessary for the Government to complete its examination of the proposal and obtain requisite approvals.

Further, the Ministry of Urban Development is considering formulation of the National Capital Territory of Delhi Real Estate Management (Promotion and Regulation) Bill which will be applicable to the National Capital Territory of Delhi. In view of administrative and legal issues involved, no time frame can be fixed for introduction of proposed bill at this stage.