

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

UNSTARRED QUESTION NO:6821
ANSWERED ON:08.05.2013
REAL ESTATE WATCHDOG
Naranbhai Shri Kachhadia

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

he details of mechanism put in place to monitor implementation of the provision which states that realty players will have to park 70% of funds of a particular project in a separate bank account so that resources are not diverted and buyers are not left in lurch?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION (SHRI AJAYMAKEN)

In order to ensure that the real estate promoters undertaking housing projects, utilize the funds collected for a particular project, for the development of the same project and not invest it elsewhere (leading to delay in execution and probable cost escalation), the provision for keeping a specified percentage of money collected from the allottees, to cover the cost of construction of the project, in a separate account has been made in the Draft Real Estate (Regulation and Development) Bill.

The Real Estate Regulatory Authority, proposed to be set up under the Bill, can call for information and conduct investigation based on a complaint alleging non-compliance by a promoter. Also with this provision in place, the audit agencies of the promoter organizations will ensure that the norms are adhered to, while maintaining the project accounts.