



Compendium of Best Practices

**Maharashtra Real Estate Regulatory Authority
(MahaRERA)**

October 2019



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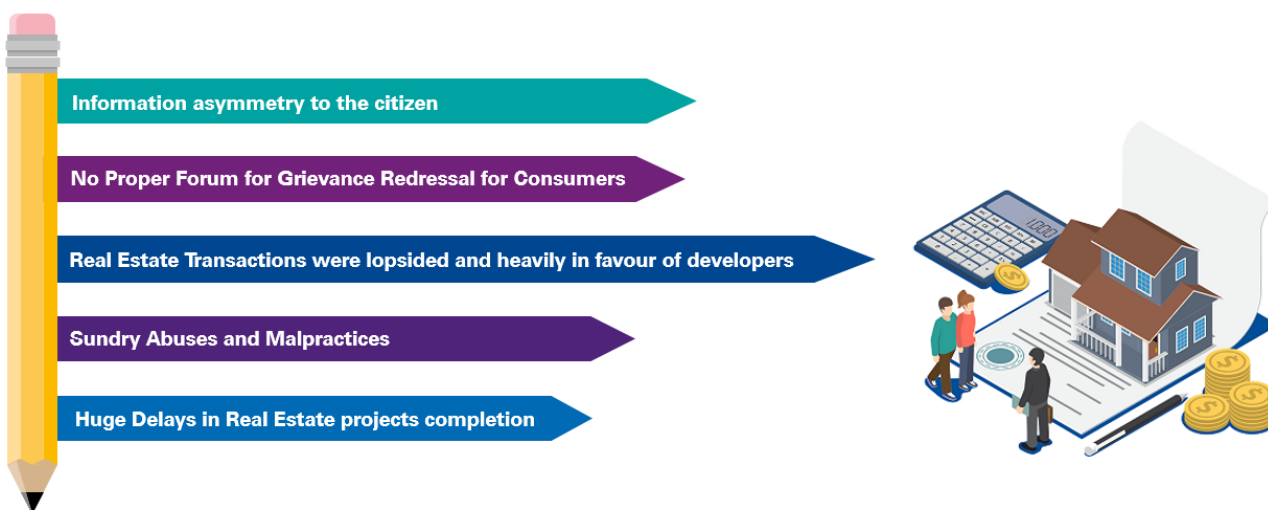
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1. MahaRERA: Participative and Digital Governance

1.1. Background

The Real Estate Sector in India is the second highest contributor to the Nation's GDP and a very important employment provider. Yet, it has traditionally been plagued with numerous issues, mainly with opaque practices and information asymmetry. Real Estate Transactions have usually been lopsided and heavily in favour of developers. Delays in completion of Real Estate Projects have been rampant and homebuyers, who have been at the receiving side, did not have a reliable forum to get their grievances redressed promptly. Below are the issues which were adversely impacting the sector:

1) Information Asymmetry: There was a lack of transparency in the sector. Flow of information was very restricted. Information provided was only in accordance with the whims and fancies of the developers. Basic information like the facilities and amenities in the real estate project, access to specifications of fixtures, project completion date etc. remained elusive to customers.



2) Grievance Redressal: Even though, statutes, which were meant to provide the grievance redressal mechanism to the customers of a real estate projects, did exist, customers were not clear, which forum to approach. The time taken for resolution of the grievances, led to further exasperation for the customers.

3) Lopsided Transactions: The stakeholders were also suffering heavily from lopsided agreements and transactions. The documents were usually in the favour of the developers and the customers in most of the cases were made to sign on dotted lines.

4) Sundry Abuses and Malpractices: Violation of rights of the customers was quite prevalent in the industry. There were malpractices including financial malpractices. The money collected for a project would be diverted for other purposes, delaying the completion of the project for which the money was collected. This further led to widening of the trust deficit between the home buyers and the developers.

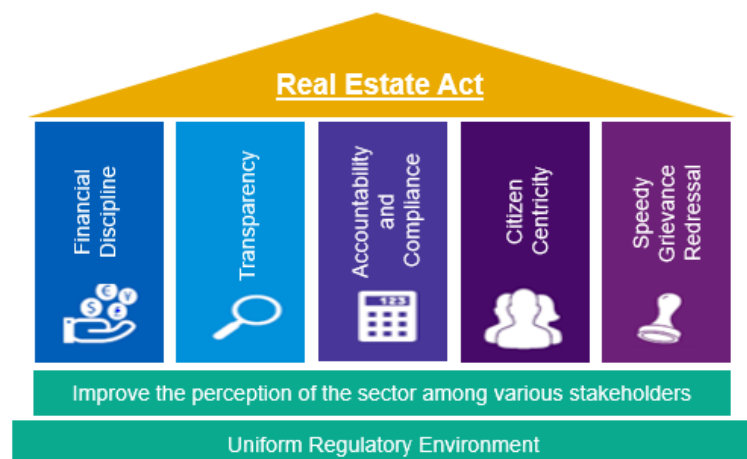
5) Delays in Completion: Due to reasons mentioned above and various other reasons, the projects languished in various stages of incompleteness. This not only caught the home buyers in a financial bind but also brought the developers into a financial stress along with reputational risks.

1.2. Maharashtra Real Estate Regulatory Authority (MahaRERA)

In order to overcome these challenges, the Central Government brought in the Real Estate (Regulation and Development) Act, 2016, (RERA Act) to be made fully operational with effect from May 1, 2017. Some sections of the Act were notified from 1st May 2016 and all the State Governments were given one year to formulate their own Rules and Regulations and set up the Authority, to implement the Act from 1st May 2017.

A one member Interim Authority was appointed in Maharashtra, to take charge of Maharashtra RERA in November 2016. Though the Act gave a time frame of one year from 1st May, 2017, to State Authorities to move over to a digital platform for a smooth implementation of the Act, the Government of Maharashtra tasked the MahaRERA Interim Authority to make available an online platform to its stakeholders from 1st May 2017 itself. The Interim MahaRERA took a note of the State's directive and on-boarded a knowledge partner and a system integrator to achieve the desired results.

In March, 2017, Government of Maharashtra notified MahaRERA. Thereafter, MahaRERA, with its Digital Platform, dedicated itself to the task of transforming the Real Estate Sector in the State of Maharashtra, while implementing the Act in its letter and spirit, endeavouring to promote transparency, accountability, financial discipline, customer centricity and compliance.



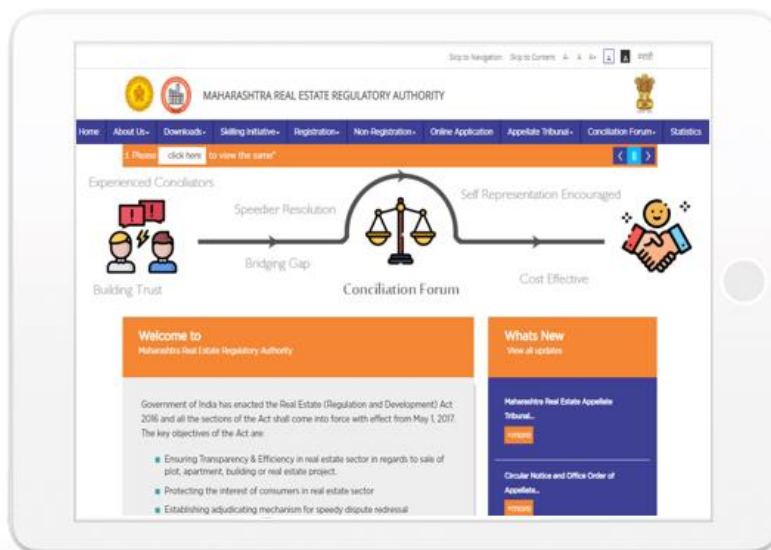
The above mentioned 5 traits of MahaRERA functioning, now form the pillars for completing MahaRERA registered projects and bridging the trust gap between the home buyers and the developers that had become the unfortunate legacy of the sector.

As there was no such Authority in the country, benchmarking the process was the real challenge. The second challenge was to make a portal live with all the requisite forms available online for the developers, agents and citizens, in the time line set out by the State Government. The third was to interact with the stakeholders and provide inputs to the State Government for finalizing the Rules.

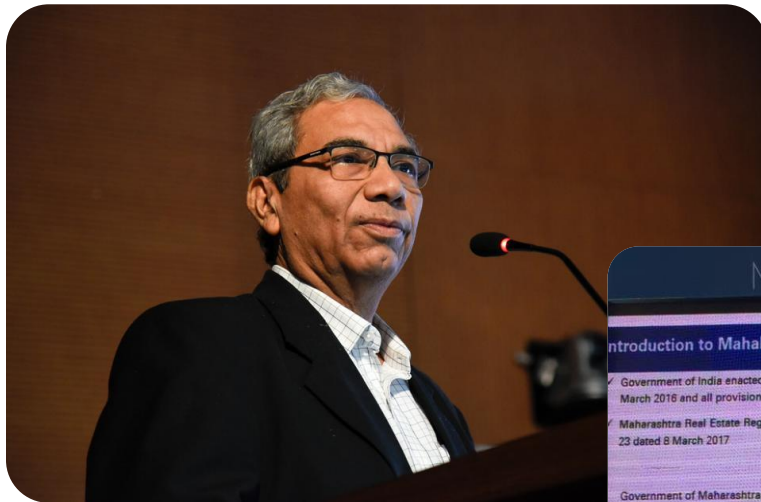
1.3. Digital Governance: Zero Paper, Zero Footfalls

With the help of the knowledge partner, a complete Functional Requirement Study of the process was done within a period of one month, starting December, 2016. This study included the developing of various forms, preparation of various work flows for the movement of applications for approvals, presentation of information to the officials and also to the citizen on a special portal for providing information. A detailed report on the study was provided to the system integrator to prepare software and website.

The website was made available to the public on 24th of April 2017. The website had details about MahaRERA, downloadable copies of the Central RERA Act, the 5 Rules framed by the Government of Maharashtra, the 2 Regulations framed by MahaRERA and approved and notified by the State and over 200 FAQs for awareness creation. A MahaRERA jingle, in Hindi and Marathi, was composed in-house and uploaded on the website as a part of the awareness creation campaign. The jingle presented MahaRERA as a friend of all its stakeholders. The website also informed the people about the portal which was to be made open for applications from the mid-night of 30th April, 2017. The application portal was thoroughly checked by the system integrator and the knowledge partner for any gaps which needed urgent rectification.



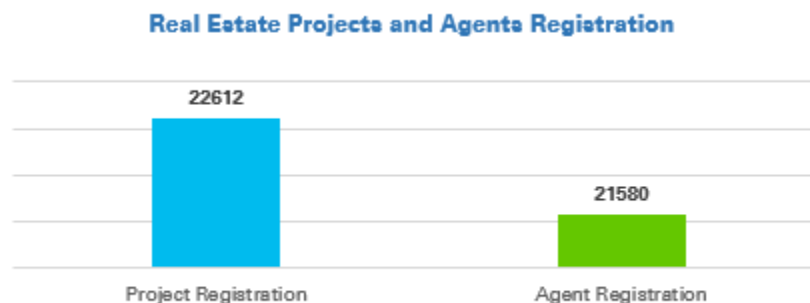
The whole idea of a regulatory authority in the real estate sector was new and that too it's functioning on a fully digital platform. Therefore, it generated large number of concerns about the information accessibility of the website, operability of the portal and the procedure for making applications. Various knowledge transfer seminars were arranged for the stakeholders, at various places throughout the State of Maharashtra by MahaRERA team members. In these workshops, information about the Act, how to use the website, operation of the portal etc. was lucidly explained to large audiences through informative and interactive power point presentations.



Capacity Building Sessions

1.3.1. Project and Agent Registration

On the intervening night of 30th April and 1st May 2017, the application was made open for developers to register projects online. Maharashtra having 36 districts and 358 talukas, was the first state to provide an online portal and a live website for the implementation of RERA Act. The whole functioning of MahaRERA is managed by a team of only 40 members located across three locations at Mumbai, Pune and Nagpur. Two developers applied on the very first day for registration of their projects. As per the policy agreed upon, all the documents were to be uploaded online. No hardcopies of the same were asked to be submitted to the office for approval. Within the first three months of the online portal being made open, a total of 10,836 projects and 7,900 agents had registered themselves with MahaRERA. All the certificates generated were provided to the applicants online with digital signatures and no hardcopy was ever produced, making the office a Zero Footfall and Paperless office- a one of its kind in the entire nation. Till date over 22600 projects and 21500 agents across Maharashtra have registered with MahaRERA, without any physical or human interface in the process.

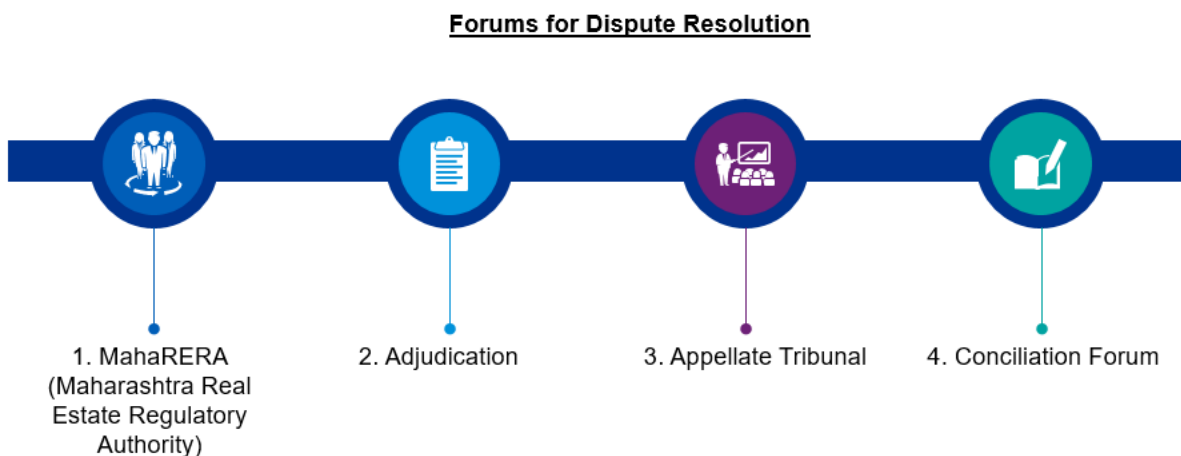


The approval of the applications is done by a team of experts, through online flow of application. Details of all the projects and agents are available to citizen at large via a portal which gives every bit of information. Also the information about the progress of the project can be easily tracked on the portal. The website provides all the details of the project like Layout Approval, Building Plan Approval, Commencement Certificate (CC), Land Title Report, Encumbrance details, Litigations, if any, past credentials of the promoter, project completion date, amenities in the project, number of buildings, number of apartments, completion percentage of amenities, and current status of the project. All the information which, in the past, required lot of effort and hard work, on the part of the home-buyer to get, is now available on click of a button. The hapless home buyer is now an empowered citizen with all the required information at his finger tip, fully equipped to make informed choices.

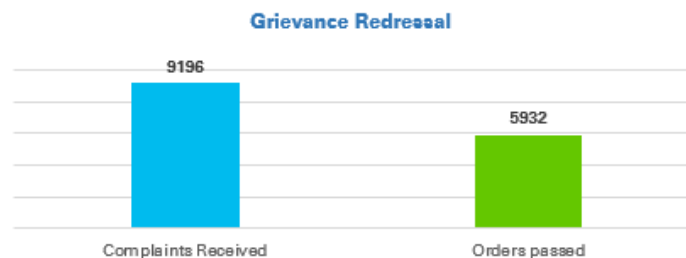
The disclosure of all the information made available in the public domain has removed information asymmetry, empowered citizens and has enabled them to make informed choices.

1.3.2. Grievance Redressal

In the first year itself, MahaRERA initiated following forums for dispute resolution:



As per Section 31 of the Act, the complaint module went live in July 2017. This process of filing a complaint is also done online. All the documents relating to the complaints are filed and uploaded online. The complainant and the respondent need not bring hardcopy of any sort for the hearing, barring if they have any additional submission to make. There is also a provision to make these submission in a softcopy form. MahaRERA has till date received around 9000 complaints, of which over 5900 complaints have been disposed of. The orders are also made available on MahaRERA website, visible in the public domain

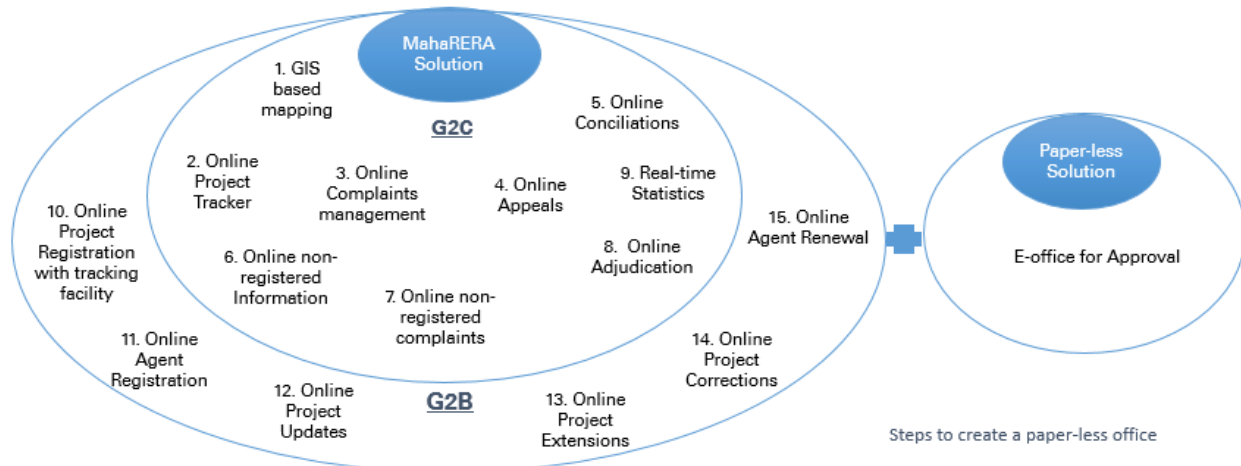


MahaRERA is also the first in the country to provide an Alternate Dispute Resolution Mechanism under Section 32(g) of the RERA Act. MahaRERA in collaboration with the Developers' Association and Consumer's Association has formed a Conciliation Forum.

This forum provide for a system where grievances are resolved through mediation and dialogues between the aggrieved party and the respondent. Through this program, two trained conciliators, one each from developers’ association and consumer’s association form a bench and mediate to amicably resolve the grievance. The conciliation happens only through consent. Till now, it has been observed that close to 9 out of every 10 cases taken up for conciliation, have got successfully resolved with amicable settlements. (MahaRERA Circular No 15/2018 available at <https://maharera.mahaonline.gov.in/Upload/PDF/Conciliation%20Circular%20No%2015.pdf>)

1.3.3. 100% Digital Platform

MahaRERA is a 100% Digital platform. All of its G2C and G2B services are completely online including: Online Project Registration with tracking facility, Online Agent Registration, Online Project Updates, Online Project Extensions, Online Project Corrections, Online Agent Renewal, GIS based mapping, Online Project Tracker, Online Complaints management, Online non-registered Information, Online non-registered complaints, Online Appeals, Online Adjudication, Real-time Statistics and Online Conciliations.



1.4. International and National Accolades

MahaRERA has received numerous International and National accolades. Some of them include:

Prime Minister Office

Chief Minister Office

Minister of State, MOHUA

Vice President of India

United Nations Conference on Trade and Development

National E-Governance award 2019 (Silver)

CONSTRUCTION WEEK INDIA AWARDS 2018

Skoch Award in Housing Sector

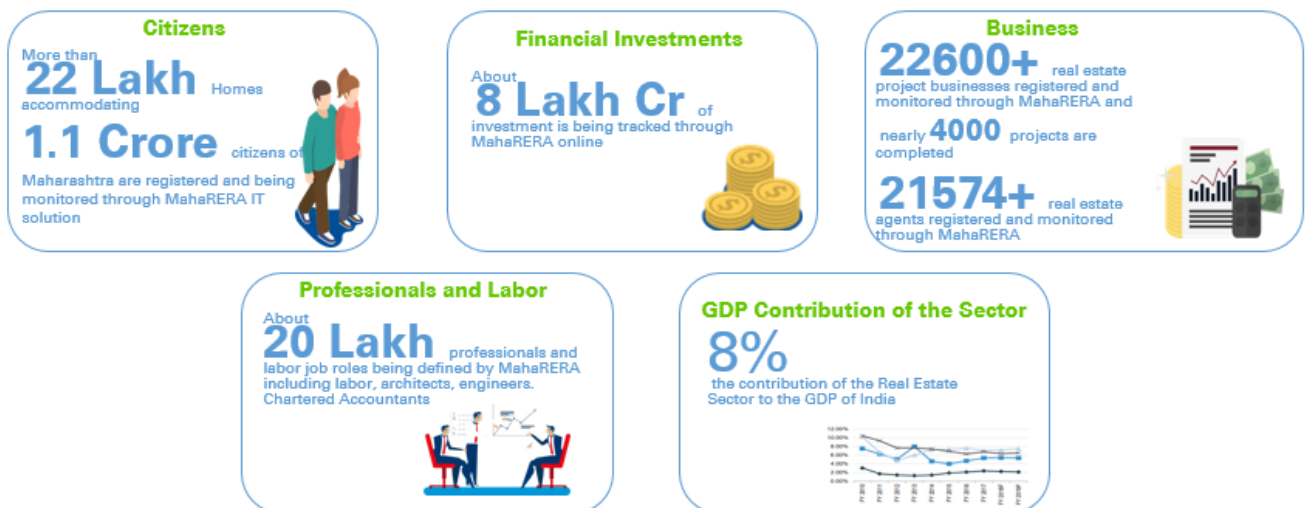
1.5. Impact

The impact of MahaRERA is as follows:

1. **Citizens:** More than 22 Lakh Homes accommodating 1.1 Crore citizens of Maharashtra are registered and being monitored through MahaRERA IT solution. MahaRERA conciliation and dispute resolution forum, first-of-its-kind initiative wherein neutral conciliators from promoters and consumers association guide the parties towards amicable settlement, is gradually emerging as a successful, replicable model that can rebuild trust between promoters and home-buyers. (Circular can be accessed at <https://maharera.mahaonline.gov.in/Upload/PDF/Conciliation%20Circular%20No%2015.pdf>)

2. **Financial Investments:** About 8 Lakh Cr of investment is being tracked through MahaRERA online.

3. **Industry:** In MahaRERA, over 22600 real estate projects have been registered and their progress is monitored. Out of the registered projects, around 4000 projects have been completed till date. Over 21500 real estate agents are also registered and their functioning is being monitored through MahaRERA. In order to ensure greater professionalism among promoters, bring a certain level of consistency in the practices of promoters, enforcement of code of conduct and to discourage fraudulent promoters, MahaRERA has recently introduced Self-Regulatory Organization (SRO) concept in the real estate sector in Maharashtra.(Order can be accessed at <https://maharera.mahaonline.gov.in/Upload/PDF/order%2010-1110219.pdf>)



4. **Professional and Labour:** About 20 Lakh professionals' job roles are being defined by MahaRERA. These include labourers (skilled, semi-skilled and unskilled), Architects,

Engineers and Chartered Accountants. By ensuring usage of quality input materials (MahaRERA Order No 5 / 2018 available at <https://maharera.mahaonline.gov.in/Upload/PDF/Quality%20Assurance%20Certificate%20Form%202A.pdf>) and quality workmanship, promoters shall be able to deliver good quality homes to the citizens. MahaRERA aims to train all the unskilled/semi-skilled/ skilled workers in the ongoing MahaRERA registered projects spread across Maharashtra. (Details can be accessed at <https://maharera.mahaonline.gov.in/Site/1109/About-the-Initiative>)

2. MahaRERA Conciliation and Dispute Resolution

2.1. Seeding the idea

After enactment of landmark Real Estate (Regulation and Development) Act 2016, MahaRERA participated in various workshops, sessions and events for enhancing awareness of stakeholders on provisions of Act/ Rules, clearing their doubts and providing training on the Online System.

In one such session, Mumbai Grahak Panchayat (MGP), which is a leading consumer body, suggested that under Section 32(g) of the Act, MahaRERA should establish a Conciliatory mechanism, which can resolve consumer grievances in the Real Estate sector in an amicable manner, thereby creating a Win-Win situation for both home-buyers and promoters. They opined that often Consumers do not want to file legal complaints, as they do not want to create friction with promoters who are responsible for delivering their dream home. They just need a platform for developer and consumer to talk openly and honestly express their concerns, doubts and desires to each other, which many a times leads to resolution of issues.

MahaRERA realized the importance and far reaching positive consequences of such a conciliatory mechanism and started working towards establishing of the same.

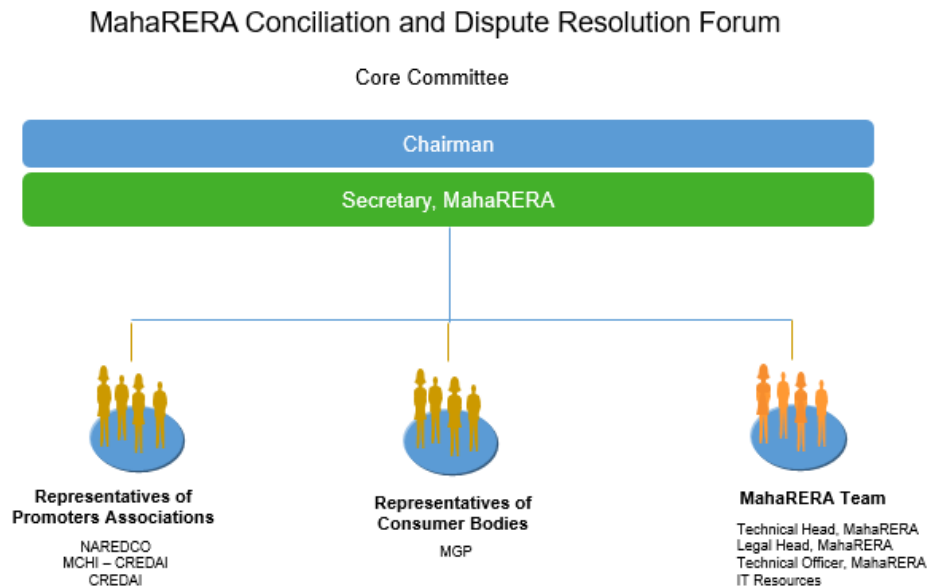
2.2. MahaRERA Conciliation and Dispute Resolution Forum

From the start, MahaRERA was clear that participation of promoter organisations along with consumer organisation is necessary for success of the Conciliation Forum. Accordingly, MahaRERA reached out to Promoter Organisations including CREDAI, MCHI and NAREDCO, who responded very positively and offered their full cooperation and support to translate this idea into reality.

They opined that conciliation mechanism is beneficial to promoters also as conciliations are held in private and details of grievances and mutually agreed terms towards the settlement are confidential. Thus, promoters and their projects get insulated from public outcry.

Following this, MahaRERA organised a series of meetings with all stakeholders including Government of Maharashtra, promoter associations and consumer associations to finalise the solution. It was decided to establish MahaRERA Conciliation and Dispute Resolution forum, which is headed by Secretary, MahaRERA who is chairperson of the Forum. He is assisted by Core committee comprising Representatives of Consumer bodies, Promoter

Associations and MahaRERA. (MahaRERA Circular No 15 / 2018 available at <https://maharera.mahaonline.gov.in/Upload/PDF/Conciliation%20Circular%20No%2015.pdf>)



Role and Responsibilities of the Forum

The key objective of MahaRERA Conciliation and Dispute Resolution Forum is to facilitate amicable resolution of disputes, thereby saving cost and time of litigation to parties and state.

- a. Constitute / Establish panel of eminent conciliators representing consumer association and promoters' association
- b. Promote and popularise the amicable and effective settlement of disputes arising with reference to Real Estate (Regulation and Development) Act 2016, with various Alternate Dispute Resolution (ADR) mechanism.
- c. Popularize conciliation as an effective dispute resolution mechanism with moderate cost (cost effective) and speedy settlement of commercial disputes.
- d. Co-ordinate/Assist ADR proceedings by establishing facilities and providing administrating services.
- e. Finally, providing the best platform for ADR.

Composition and Location of Conciliation

At the beginning, in January, 2018, 15 conciliation benches were established of which 10 benches were in Mumbai Metropolitan Region (MMR) and 5 benches in Pune Region. Each bench has one conciliator representing the Consumer body and one from promoter body.

Launch of Mumbai Conciliation Benches



Launch of Pune Conciliation Benches



Having observed the benefits of this initiative, MahaRERA received requests to enhance conciliation benches in other cities also. Accordingly, MahaRERA has now established following Conciliation Benches:

Location of Conciliation Benches	Number of Conciliation Benches
Mumbai	7
Pune	6
Nagpur	3
Nashik	2
Kalyan Dombivali	2
Virar	2
Mira Bhayander	1
Navi Mumbai	2
Palghar	1
Thane	2
Total	28

Training and Certification of Conciliators

Before starting the conciliation, MahaRERA Conciliation and Dispute Resolution Forum organised a special two day training program, in January 2018, to train and guide the conciliators. The training was conducted by an expert Mediator and Mediation Trainer, who

has distinct experience in training mediators for Mediation and Conciliation Project Committee (MCPC), Supreme Court. He also has trained many judges from various courts in the process of conciliation and mediation. Special role plays were organised during the training, bringing various scenarios to life which the conciliators would face during a conciliation hearing. This training equipped all the conciliators with knowledge and confidence to start the conciliation process.

The Forum has, since then, organised several trainings, seminars and workshops for its members.

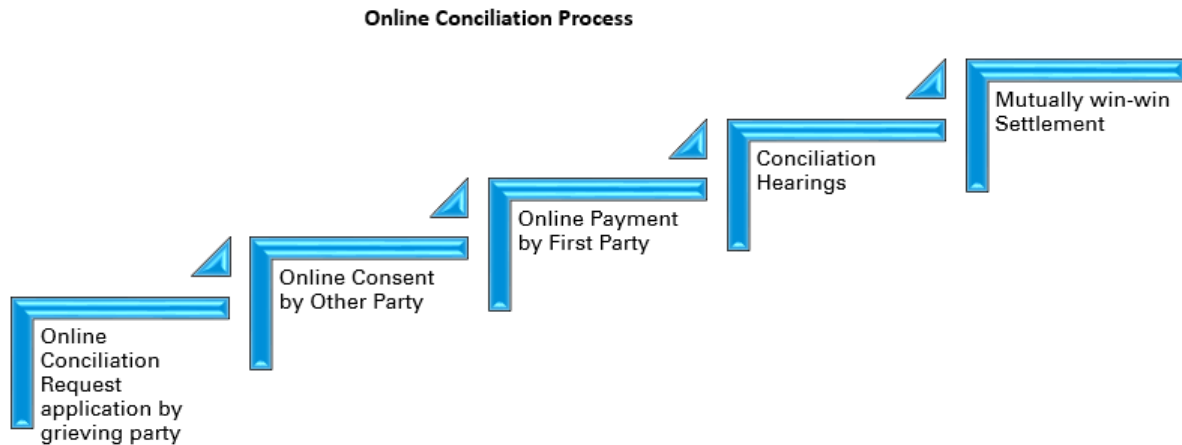
First training program of conciliators



Online Application and Procedure for Conciliation

In line with MahaRERA's ideology, conciliation process was online from day 1. The conciliation process begins with the aggrieved party (first party) filing online application for conciliation. After submission of the application, the second party gets an email requesting for their consent to initiate conciliation. The second party can view entire details of the grievance online and provide consent by clicking on the link.

As a next step, the first party is required to pay 1000 Rupees as fees for conciliation. After this, the conciliation request is allocated to one of the conciliation benches on the basis of location. The conciliation bench informs both the parties on the meeting date, time and location for the conciliation meeting. After conclusion of the conciliation proceedings, if the parties reach agreement on a settlement of the dispute, the conciliators draw up the terms of settlement which are signed by both the parties and conciliators.



Steps undertaken to promote Conciliation

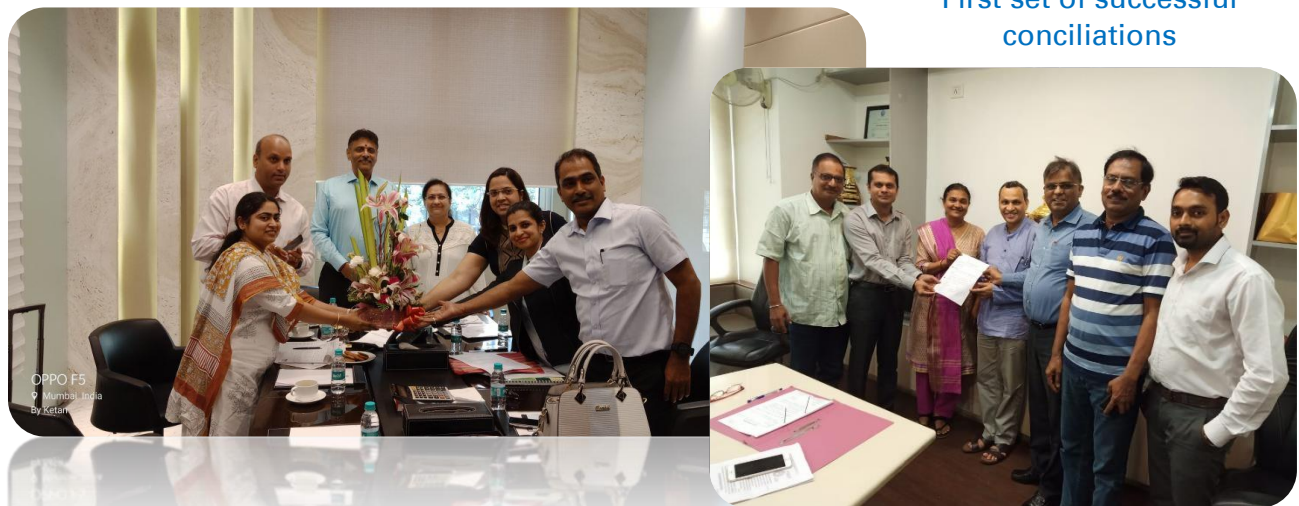
In order to spread awareness on the conciliation forum, several measures were undertaken:

- 1) Numerous Awareness Seminars, Press conferences and Workshops were organised across the state informing stakeholders on establishment of Conciliation Mechanism and its benefits
- 2) Different online web banners were posted on MahaRERA website highlighting benefits of Conciliation
- 3) Most importantly, any person who is about to file a complaint is first prompted to consider Conciliation as an option for dispute resolution.
- 4) Another notable step, recently undertaken by MahaRERA to encourage Conciliation, is as follows:
 - a. If a conciliation application does not result in an amicable settlement, then Conciliation bench may decide to refer such case to MahaRERA. The Authority, on receiving such a case, shall take a decision and the said decision may include treating the said matter as a suo-motu complaint at no additional cost to the applicant.
 - b. Further, through model form of Agreement MahaRERA is encouraging the promoters and allottees to first try and amicably resolve the dispute through conciliation forum.

2.3. Success Stories

On March 10th 2018, the first set of conciliation meetings were held. A total of 10 cases were assigned, six in Mumbai and four in Pune. Out of these 10 cases, four cases of Mumbai and two cases of Pune were amicably resolved in the first hearing on the first day of conciliation. In the other four cases, both the parties requested for more time and one more hearing to resolve the issue. A post session meeting was held which was presided by MahaRERA Chairman and to the delight of everyone, the news of six matters getting resolved was given to everyone. This day would be considered as one of the landmark day in real estate sector in Maharashtra wherein promoters and allottees came together to bridge the trust deficit.

First set of successful conciliations



Mumbai Mirror
City Edition
RERA forum resolves 4 city disputes on Day 1
Some of the complaints were settled in 45 minutes, by benches chaired by industry reps

Rera's conciliation forums act as a short cut for aggrieved buyers
5 min read · Updated: 03 Sep 2019, 10:39 PM IST
Ashwini Kumar Sharma

- Rera's conciliation forums are helping bring homebuyers and developers to the negotiating table
- All types of complaints—related to refund, compensation or possession—can be filed with these forums

नवभारत
कंसिलेशन फोरम का गठन
नरेंद्रको, केडाई-एमसीआई, एमजीपी की संयुक्त पहल

First RERA conciliation hearings from March 10
17 complaints will be heard by MahaRERA benches in Mumbai, Pune next cases relate to delayed possession and refunds

MahaRERA to have conciliation forum benches in every district
By Satish Nandgaonikar, Mumbai Mirror · Updated: Sep 9, 2019, 11:26 IST

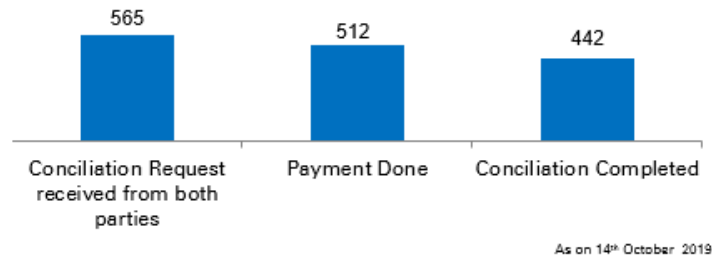
The forum has a 78% success rate, says Mumbai Grahak Panchayat president.

The Maharashtra Real Estate Regulatory Authority (MahaRERA) is considering expanding its conciliation forum experiment by setting up a bench in every district in the state to help resolve disputes between developers and home buyers.

MAHARERA CONCILIATION: A SUCCESSFUL METHOD OF FAST TRACK DISPUTE RESOLUTION FOR CONSUMER AND BUILDER

Since then, MahaRERA Conciliation Dispute resolution forum has received 512 applications wherein 442 have been disposed. Of total disposed, around 90% of the conciliation cases from Pune were amicably resolved and 85% in Mumbai.

Distribution of Conciliation Requests



On 1st May 2018, MahaRERA Conciliation and Dispute Resolution Forum conducted the MahaRERA day celebrating one year of implementation of MahaRERA. The program was graced by Hon'ble Housing & Urban Affairs Minister of State (Independent charge) Shri. Hardeep Singh Puri, Hon'ble Chief Minister Shri. Devendra Fadnavis, Maharashtra Housing Minister Shri. Prakash Mehta and so on.

2.4. International and National Awards

- ✓ In the United Nations Conference on Trade and Development (UNCTAD) held in Geneva, Switzerland on 9 - 10th July 2018, the Intergovernmental group of experts on Consumer law and policy discussed the Case Study of Online Conciliation at MahaRERA. The same was also published under Dispute resolution and redressal section.



- ✓ National e-Governance award 2019 (silver) was awarded for the online platform of MahaRERA, which includes conciliation.



2.5. Impact

MahaRERA conciliation and dispute resolution forum is first-of-its-kind initiative wherein neutral conciliators from promoters and consumers association guide the parties towards amicable settlement. The impact of MahaRERA Conciliation Forum is as follows:

- ✓ 28 conciliation panels established across Maharashtra on public demand and this number is increasing with time.
- ✓ More than 400 families' resolved their issues amicably and they find it difficult to believe that such a quick resolution to their long-pending dispute could have been

“ IMPACT OF MAHARERA CONCILIATION AND DISPUTE RESOLUTION FORUM ”



60 Requests per month

On an average MahaRERA receives about 60 conciliation requests per month



200 Cr

More than 200 Crores of financial investment which was involved in dispute cleared amicably through the conciliation panels



Huge Cost Saving

Huge Cost savings for consumers and promoters as they do not have to hire lawyers and this mechanism provides a quick turnaround

possible under the normal litigation mechanism. Further, such mutually agreed settlements don't leave behind bitter taste between the parties.

- ✓ On an average MahaRERA receives about 60 conciliation requests per month and MahaRERA strives to enhance it by at least 25% year on year.
- ✓ Renowned and eminent Industry leaders are conciliators with MahaRERA Conciliation and dispute resolution forum, displaying belief and faith of the industry in this mechanism.
- ✓ More than 200 Crores of financial investment which was involved in dispute cleared amicably through the conciliation panels.
- ✓ Cost Saving: Huge Cost savings for consumers and promoters as they do not have to hire lawyers and this mechanism provides a quick turnaround. In the absence of lawyers in the proceedings, the parties are encouraged to vent their grievances personally and the Conciliators play the role of bringing both the parties to mutually agreeable terms

3. Ensuring Quality in Workmanship of all MahaRERA Projects

3.1. Background

On the first Anniversary of MahaRERA, 1st May 2018, Hon. Chief Minister, Shri Devendra Fadnavis commended MahaRERA on being pioneer in implementation of RERA and also entrusted MahaRERA with responsibility of ensuring quality of construction in real estate projects in their Second year of operations.

“MahaRERA must now focus on ensuring that the quality of construction of newly constructed projects is on a par with what was promised by Developer”

- ***Hon. Chief Minister, Devendra Fadnavis , 1st May 2018***

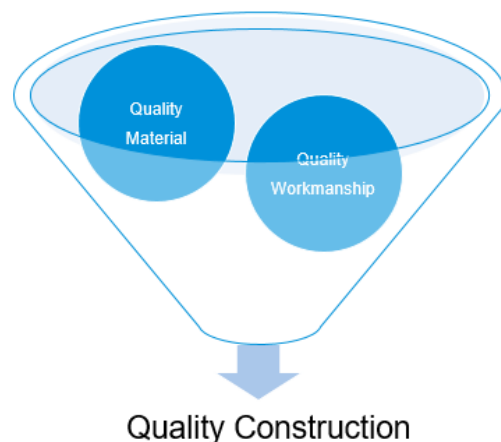
One of the key issues in Real Estate sector was quality of construction. Before the enactment of Real Estate (Regulation and Development) Act 2016, promoter was not bound by any statutory liability with respect to the quality of construction. Once the possession of the apartment was handed over, Allottees were forced to rectify construction defects on their own despite them already having paid their hard earned money in the project of the promoter.

However, The Real Estate (Regulation and Development) Act, 2016 eradicated such problems and made the promoter liable for any construction defect, including structural defect or any other defect in workmanship, quality or provision of services. As per Section 14(3) of the Act, if any structural defect or any other defect in workmanship, quality or provision of services is brought to the notice of the promoter within a period of five years by the allottee from the date of handing over possession, it shall be the duty of the promoter to rectify such defects or pay appropriate compensation to the allottees.

3.2. Genesis of initiative

With the mandate of ensuring Quality of Construction in real estate projects, MahaRERA conducted several brainstorming sessions with stakeholders as well as experts, including renowned professors of IIT Mumbai (Civil Engineering Wing).

It was observed that Quality of construction depends upon essentially two factors, quality input materials and quality workmanship.



Infact, both the factors are also dependent on each other. Even with quality input materials if there is poor workmanship in using the materials, the quality will suffer. Similarly, even great artists can't make gold out of dust.

With this in mind, MahaRERA decided to take a proactive approach to quality assurance in construction. MahaRERA decided that primary objective of Quality Assurance process should be to prevent defects and avoid rework, which is always expensive. While construction, itself if quality of material and workmanship is ensured then real estate projects shall be defect free and adhere to quality standards.

MahaRERA took note of the fact that RERA Act outlines roles for a set of three professionals, Architect, Engineer and Chartered Accountant, for the successful completion of every RERA registered project. It was felt that the site engineer of the MahaRERA registered project can be made accountable for ensuring that materials used in the construction conform to an acceptable quality standard. As a first step towards this objective, MahaRERA, through Order No 5/2018 dated November 26, 2018, introduced Quality Assurance Certification in Form 2 A. Through this Certificate, the Supervisor of the work would have to certify and ensure that the basic input materials conform to a prescribed standard of Quality. This certificate has to be uploaded quarterly on the webpage of the registered project. This was made mandatory for all projects registered with MahaRERA after December 1, 2018. (MahaRERA Order No. 5 / 2018 available at <https://maharera.mahaonline.gov.in/Upload/PDF/Quality%20Assurance%20Certificate%20Form%20A.pdf>)

The other important aspect towards achieving quality construction was ensuring quality workmanship. It was observed that lack of knowledge and experience of labour are the prime factors affecting the quality of workmanship. Hence, it is important to provide training to these labour for improving workmanship. With this, MahaRERA embarked on an ambitious project of skilling the workforce engaged in all MahaRERA registered projects.

3.3. MahaRERA Skilling Initiative

MahaRERA aims to train all the 10 to 12 lakh unskilled/semi-skilled/ skilled workers in the ongoing MahaRERA registered projects spread across Maharashtra. These workers would be trained to upscale their skills and also to update them about the safety standards to be met on construction sites. Such workers include Masons, helpers, Carpenters, Bar Benders, Plumbers, Electricians and Painters, etc. (Details can be accessed at <https://maharera.mahaonline.gov.in/Site/1109/About-the-Initiative>)

While embarking on this initiative MahaRERA realised that there is lack of expert trainers in the industry who shall carry out this task. MahaRERA therefore, decided to overcome

this hurdle by initiating a programme to train a pool of 500 Expert Trainers who would in turn, train the unskilled/semi-skilled workers in due course of time.

MahaRERA divided the Skilling Initiative into two phases:

- Phase 1: Development of Expert Trainers
- Phase 2: Skilling of Workforce of RERA Registered Projects

3.4. Training of Expert Trainers (TOET)

Hon'ble Chief Minister of Maharashtra has inaugurated and launched this programme of Training of Expert Trainers (TOET) on 19th February 2019 at Pune. This would create a pool of 500 Expert Trainers in a year or two.



Inauguration of Initiative by Hon. Chief Minister



This programme of training of Expert Trainers is fully funded by MahaRERA. MahaRERA has engaged three Training partners, viz. Rustomjee Academy of Global Career (RAGC) in Thane, KUSHAL in Pune and SBSS in Nagpur.

The Expert Trainers are trained for a period of a month, both in theory and practical with a syllabus from Constructions Skill Development Council of India (CSDCI), which is an arm of National Skill Development Corporation (NSDC), New Delhi. During the training period, CSDCI also assesses the performance of trainers, conduct examination and awards a certificate after passing. MahaRERA has a program to train 500 such expert trainers at a






cost of Rs. 3 Cr, at the rate of Rs. 60,000 per trainer through its own resources. Following trades have been identified:

Sr. No	Trade	Proposed No. Expert Trainers	Trained so far
1	Asst. Mason Level IV	135	42
2	Asst. Shuttering Carpenter Level IV	95	17
3	Asst. Bar Bender Level IV	95	37
4	Asst. Electrician Level IV	40	15
5	Asst. Painter Level IV	55	-
6	Asst. Plumber Level IV	80	-
	Total	500	111

The Training Program is being executed in the following distinct stages:

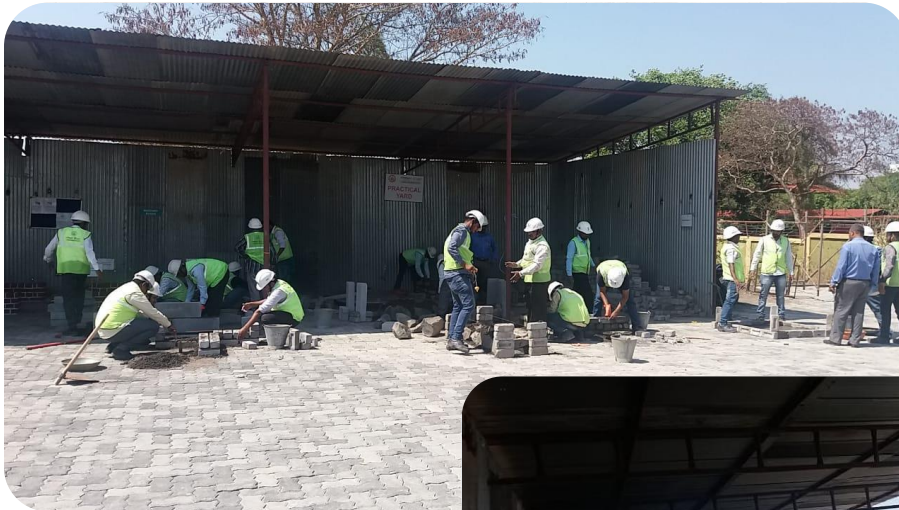
- i. Experienced Candidates are nominated from Developers from their projects who are capable of being Master Trainers
- ii. Pre-Assessment of candidates: The three agencies undertake pre-assessment of candidates to determine suitability of candidate as Master Trainer
- iii. Training of 26 days: The candidates undergo rigorous training for 26 days
- iv. Post completion of training, Assessment and certification is conducted by NSDC
- v. Certified Master Trainers resume the site and train workers & certify them

Structure of the Course

01		Domain (10 Days)	<ul style="list-style-type: none"> Trade specific domain skill. New developments in the domain area, supported by practical sessions. Training provided by the Master Trainers of RAGC supported by Demonstrators.
02		Platform (6 days)	<ul style="list-style-type: none"> Training candidates to develop their confidence to conduct training sessions of workers at construction sites. Training provided by the Master Trainers.
03		On the Job Training (8 days)	<ul style="list-style-type: none"> Practical / Mock sessions of training workers at ongoing sites, Identify training needs of sites. Regular inspection, reporting and audit by Task Assessors.
04		Assessment Training (1 day)	<ul style="list-style-type: none"> Revision of Training and preparation for assessment
05		Final Assessment (1 day)	<ul style="list-style-type: none"> Conducted by 3rd party assessors deputed by CSDCI

The first batch of Expert Trainers has already been trained by these institutes and these trainers have been examined by National Skill Development Corporation, New Delhi and have certified them as trainers. The list of Expert trainers with their details, is uploaded on MahaRERA website.

Onsite and Classroom training of Expert Trainers



3.5. Skilling of Labour Workforce at MahaRERA Projects

In order to skill the entire construction labour force in MahaRERA projects, MahaRERA reached out to Labour Department and Skill Development Department for their support. Labour Department agreed to fund the entire skilling initiative from the construction cess available with 'Maharashtra Building and Other Construction Workers Welfare Board' (MBOCWFB). Similarly, Maharashtra State Skill Development Society (MSSDS) volunteered to make available their systems and expertise for the initiative.

In collaboration with the three partner agencies, the expert trainers are being deployed on MahaRERA Projects' Construction sites to train the labour workforce. The key processes are as follows:



The worker undergoing 15 days training is also provided compensation of Rs. 4,200 towards wage loss. Post Training, the workers are assessed, examined and certified by CSDCI.

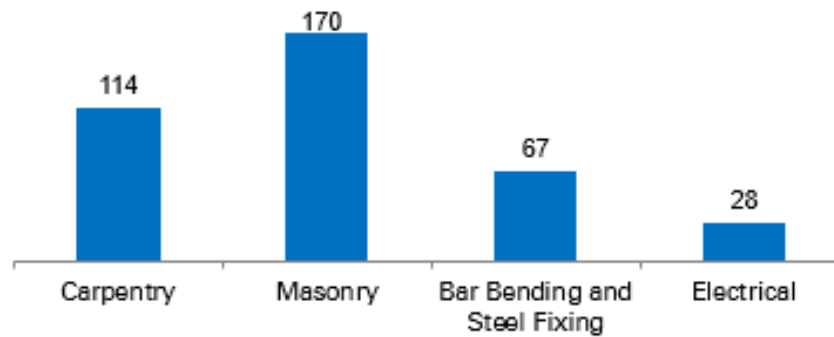
In line with MahaRERA's objective, even this initiative was online from Day 1. All the candidates undergoing training are registered online along with Aadhaar number to ensure zero duplication of beneficiaries. Biometric attendance is undertaken and updated online for every session. The entire candidate lifecycle management is conducted online.



Onsite Training of Labour Workforce

Till date 379 Labours have been trained across several project sites. The break up as per trade is as follows:

Distribution of trained labour Workforce till date



3.6. Impact

The greatest impact of this initiative shall be enormous improvement in Quality of Construction in Real Estate Projects across Maharashtra. By ensuring usage of Quality input materials and quality workmanship, promoters shall be able to deliver good quality homes to the citizens. Other key benefits of this initiative are as follows:

- More than 10 Lakh Labour Workforce to be trained across all MahaRERA Projects across Maharashtra
- 500 Expert Trainers developed in different trades including Masonry, Carpentry, Painting, Bar Bending, Plumbing and Electrical.
- Enhancing Quality of Construction of all real estate projects across Maharashtra through usage of quality materials and quality workmanship.
- Saving Costs of both promoter and citizens as quality is ensured at construction and no rework / repair is needed at later stages.
- Enhancement in employability of the labour workforce.
- Till date, 4075 Real Estate Projects with about 4,00,000 apartments in Maharashtra ensuring usage of quality material after issuance of Order.

Key Impact of MahaRERA Skilling Initiative



Quality in Construction

Enhancing Quality of Construction of all real estate projects across Maharashtra



4075 Real Estate Projects

4075 Real Estate Projects with about 4,00,000 apartments ensuring usage of quality material after issuance of Order.



More than 10 Lakh Skilled Labour

More than 10 Lakh Labour Workforce to be trained across all MahaRERA Projects across Maharashtra



Saving Costs

Saving Costs of both promoter and citizens as quality is ensured at construction and no rework / repair



500 Expert Trainers

500 Expert Trainers developed in different trades including Masonry, Carpentry, Painting, Bar Bending, Plumbing and Electrical



Enhanced Employability

Enhancement in employability of the labour workforce

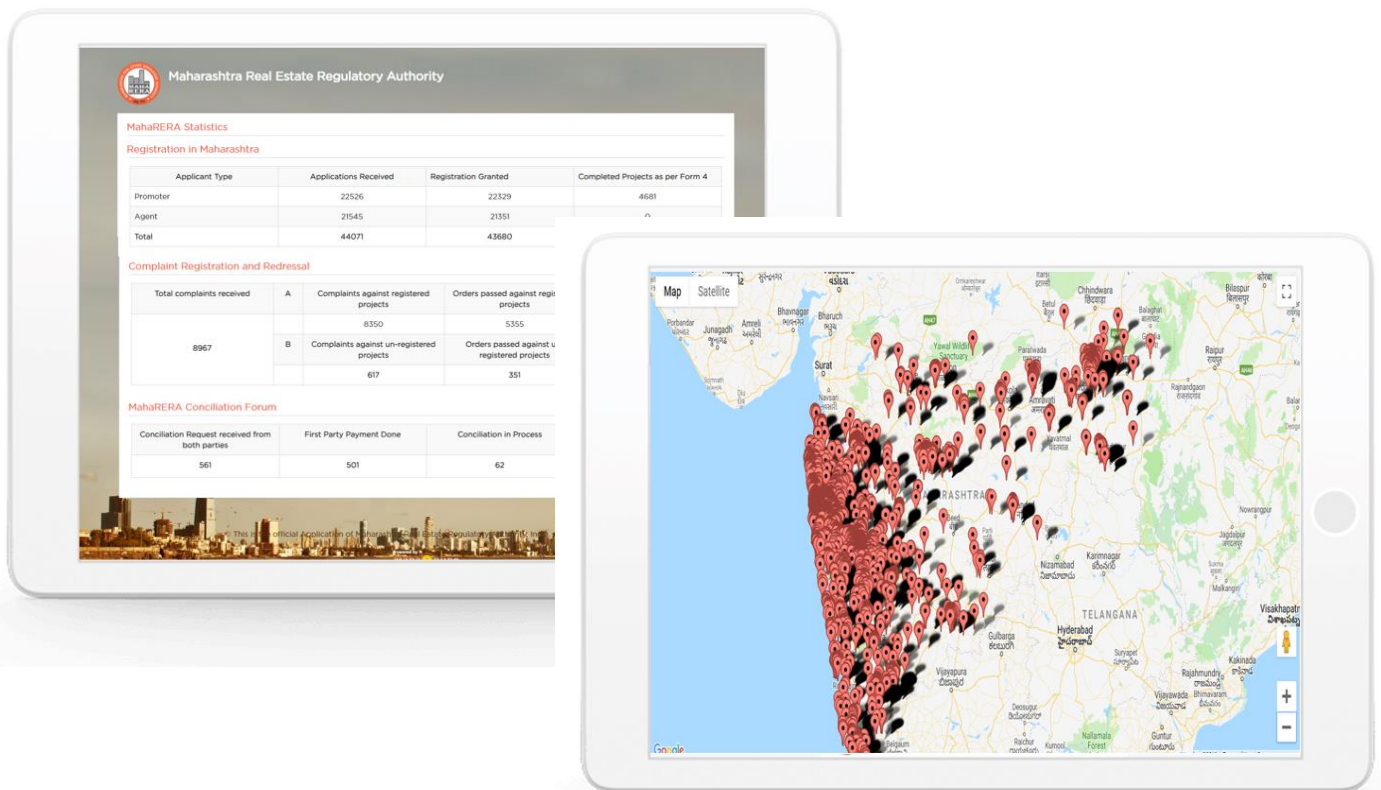
4. Self-Regulatory Organisations (SROs)

4.1. Background

Real Estate Sector in India has traditionally been plagued with numerous issues including opaque practices and information asymmetry. Buyers were never aware of status of approvals of projects, status of progress of construction and so on. There was complete lack of transparency in transactions and information. In order to overcome this, Government of India enacted Real Estate (Regulation and Development) Act 2016. One of the key objectives of the Act is to bring greater transparency in Real Estate Sector in India.

Accordingly, MahaRERA has been working towards bringing an era of **3 Ts: Transparency, Trust and Timely project completion** in the real estate sector in Maharashtra. MahaRERA has leveraged Information Technology (IT) to ensure that maximum information is available for public view at its website including Information on Registered Projects, Registered Agents, Judgements, Orders etc.

Till date, detailed information of more than 22600 Projects, 21500 Real Estate Agents, 5900 Rulings / Judgements among others is available online for public view.



4.2. Challenges faced

One of the key challenges faced by MahaRERA, during the past two years, was lack of regular updates of project information by promoters. Though, more than 22600 projects were registered with MahaRERA, not all of them regularly updated the status of their projects. The key reasons for the same were:

a) Lack of Awareness

One of the Major Reasons for non-updating of information is lack of awareness among the promoter community about the provisions of the Act. Many promoters are not aware of their responsibilities under RERA. They believe that RERA registration is like one time license valid till end of project.

Some of them had also outsourced their RERA registration to Consultants / CA / Architects as one-time activity, who after registration ignored the project.

b) Ingrained Behaviour

Real Estate Sector has always encouraged opaque practices and thrived on information asymmetry. Hence there was resistance among small group of Promoters on regular updates of information.

4.3. Genesis of SRO

In order to overcome the ignorance and resistance among promoters, MahaRERA undertook extensive awareness and capacity building initiatives. MahaRERA was also clear from the start of the journey that participation of promoters associations is important for success of this initiative. Hence promoter associations became essential partners in implementation of RERA.

One of the key mandates provided to promoter associations including CREDAI, MCHI and NAREDCO was to spread awareness among their members and handhold them on regular updating of information and compliance to RERA provisions. The promoter associations, in partnership with MahaRERA, undertook several workshops and handholding sessions across the state. These associations also established MahaRERA compliance teams that were focussed on reaching out to its members and ensuring they update the information on MahaRERA portal in time.

This initiative was highly successful and members of these associations started regularly updating information of their projects on MahaRERA portal.

Encouraged by the success of this initiative, MahaRERA also requested the promoter associations to reach out to other promoters, who are not their members. Accordingly, Promoter associations started reaching out to non-member promoters to enhance their awareness and ensure updating of information on MahaRERA portal.

However, the non-member promoters were unresponsive to the promoter associations and questioned their authority.

In order to overcome this, Authority decided to introduce Self-Regulatory Organisations (SRO) concept in Real Estate Sector in Maharashtra

4.4. International and National Examples of SRO

Self-Regulatory Organisations (SROs) are organizations representing a particular segment of entities, who set and enforce rules and standards relating to the conduct of members in the SRO, establishing industry standards, developing and applying codes of professional ethics and ensuring consumer confidence.

SROs are well – established mechanism internationally and nationally.

International SROs

- **United States:** There are SROs in multiple industries including Real Estate, Financial Markets, Energy, Advertisement, Aviation among others
- **Australia:** SROs are established in Health, advertising, financial services, pharmaceuticals among others
- **Russia:** In Russia, Starting with 2009, all Russian developers are required to join a Self-Regulating Organization (SRO) for construction, according to the law. SROs are Not-for-profit established under law for carrying out control over compliance of members of the SRO with requirements of standards and rules of Construction and considering issues of imposing of disciplinary actions on members

Indian SROs

Even in India, Self-Regulation is now being used extensively in India also:

- Under IBC, Insolvency and Bankruptcy Board of India (IBBI) have three Insolvency Professional Agencies (IPAs) which are the self-regulatory organisations that each Insolvency Professional is enrolled with.

- RBI's Malegam Committee Report had recommended formation of self-regulatory organisations (SRO) in the microfinance sector and accordingly RBI has established SRO for Micro finance sector

4.5. SROs in Real Estate Sector in Maharashtra

With this background, In order to ensure greater professionalism among promoters, bring a certain level of consistency in the practices of promoters, enforcement of code of conduct and to discourage fraudulent promoters, MahaRERA introduced Self-Regulatory Organization (SROs) Concept in the real estate sector in Maharashtra. (MahaRERA Order No. 10 can be accessed at <https://maharera.mahaonline.gov.in/Upload/PDF/order%2010-1110219.pdf>)

Before introducing the same, MahaRERA held numerous consultations with promoter associations to incorporate their suggestions.

The details of SRO system is as follows:

Eligibility Criteria

1) The basic eligibility criteria for Self-Regulatory Organizations (SRO) is as follows:

- a. The proposed SRO has to be a group / association / federation of promoters, which is a legal entity.
- b. The Proposed SRO should have atleast 500 MahaRERA registered projects of their members.
- c. Details of Membership fees, Duration of Membership, qualification of membership and code of conduct to be followed by the members may be decided by the respective SRO and shall be made available to their members.

Functions and Obligations of SRO

The Functions and obligations of the SRO are as follows:

- a. The SRO shall encourage its members to comply with the provisions of the Act, applicable rules, regulations, orders or circulars issued by the MahaRERA from time to time;
- b. The SRO shall be responsible for carrying out awareness and education activities among its members
- c. The SRO shall specify standard of conduct for its members and also shall be responsible for the implementation of the same by its members.

d. any information or particulars furnished to MahaRERA by the applicant shall not be false or misleading in any material respect;

Recognition of SRO

Any group or association or federation of promoters, which is desirous of being registered as a SRO with MahaRERA, may make an application to MahaRERA in Form A, accompanied by a fee of Rs.10000.

The certificate of recognition of SRO shall be valid for a period of five years. However, MahaRERA may de-recognise any SRO if found to be in violation of the Real Estate (Regulation & Development) Act, 2016 or rules or regulations or orders made thereunder.

Participation in SRO

Going forward, each Promoter, applying for registration of his project in MahaRERA, have to be part of any one of the registered SROs.

In due course, this concept of SRO would be extended to the Real Estate Agents too.

4.6. Impact

Through this initiative, the following impact shall be achieved:

✓ **Minimum Government, Maximum Governance**

SROs shall greatly increase the enforcement and compliance to RERA provisions by promoters through minimum intervention of Government. SROs, which is a body by the promoters, of the promoters and for the promoters shall carry the baton of governance and monitoring of promoter behaviour. This is true example of Minimum Government and Maximum Governance.

✓ **Greater Acceptance**

SRO mechanism shall help promoters internalize RERA principles and ethical behaviour since adoption of rules shall be based on social norms and conduct of peers rather than top-down prescriptive rules. This shall instill deeper respect and acceptance of the rules and result in better promoter behaviour, and avoid adversarial situations in which promoters try to find exceptions to externally imposed rules.

✓ **Increased transparency and consumer confidence**

One of the key responsibilities of the SROs shall be to ensure that all promoters are regularly updating the MahaRERA web portal on the status of their projects. This shall greatly increase transparency and consumer confidence in the real estate sector in Maharashtra.

✓ **Faster implementation and Reduced regulatory costs**

Through this initiative, we are leveraging the extended force of promoter associations across the state, to enhance compliance. This is speedy and cost effective method of increasing compliance in the sector. The cost of enforcement through SRO shall be less expensive than MahaRERA doing it entirely. Even from promoter's perspective, the cost shall be lesser as they would be able to adopt the best practices earlier, rather than paying penalties and lawyer fees for late adoption