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Title: Discussion on the motion for consideration of the Real Estate (Regulation and Development) Bill, 2016 (Discussion Concluded and Bill Passed).

HON. SPEAKER: Now, we will take up Item No. 27, Shri M. Venkaiah Naidu.

THE MINISTER OF URBAN DEVELOPMENT, MINISTER OF HOUSING AND URBAN POVERTY ALLEVIATION AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI M. VENKAIAH NAIDU): I beg to move:

"That the Bill to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto, as passed by Rajya Sabha, be taken into consideration. "

Madam Speaker, I would like to request the hon. Members to pay a special attention to this Bill because this Bill is the need of the hour. The request has come from various quarters for all these years. This is an issue, which is pending for long. We have been discussing about some regulation in the Real Estate for the last 11 years because all the buyers across the country are agitated rightly and they are not getting adequate redressal system as per the previous arrangement.

So, keeping that in mind, during the UPA regime, a Bill was brought and the Bill was referred to the Standing Committee. The Standing Committee, in its collective wisdom, has made certain recommendations. Out of 30 and odd recommendations, 22-23 recommendations were accepted. In between, there was a change of Government and the Government that came has brought it in the form of a new Bill. The Bill has gone to the Rajya Sabha because it has originated from there and the Rajya Sabha, in its wisdom, had again referred this matter to the Select Committee.

The Bill, which was approved by the Standing Committee consisting of Lok Sabha and Rajya Sabha Members was again referred to the Select Committee of Rajya Sabha. I have agreed simply because I want the Bill finally to be passed at the end of the day. So, we have agreed and the Select Committee of the other House has done an excellent job. They have made their own recommendations and sent them back to the Rajya Sabha.

Now, Madam, I am very happy to share with the House that the Bill was debated, discussed and decided in the Rajya Sabha almost unanimously with one Party, namely, AIADMK -- and I must put it on record -- have raised a fundamental issue saying that the Parliament has no jurisdiction on this issue because it is a matter concerning the local bodies at the State-level. We discussed about that matter within ourselves in the Department also, and I have referred the matter to the Law Ministry. The Law Ministry has opined that Yes, the Parliament has a jurisdiction.

Subsequently, I have referred the matter to the Attorney General of India. The Attorney General of India also, after careful study, has sent back saying that the Parliament of India has the jurisdiction to pass such a legislation in the larger interest of the people. Keeping that in mind, the present Bill has been brought in and in the Rajya Sabha it was approved by the support of all the Parties. I am very happy to state it.

Madam, the purpose of the Bill is that it is not only going to make consumer the king, but bring in such needed regulation and transparency to the people who are involved in this sector. This Bill seeks to create a set of rights and obligations for both the consumers as well as developers.

Secondly, this Bill seeks to encourage both of them to live up to the expectations of each other as per the agreement entered into by both of them. When you purchase a house, you enter into an agreement. If one of the parties fail to perform the obligation, then the provisions of the Bill will come into operation. If they mutually agreed upon, nobody is going to intervene. Unfortunately, what is happening is that the buyers or the consumers are always at the receiving end. In India, the Law of Torts is very weak as compared to other Western countries. We do not have such provisions to enforce the law. Also, in India, the issues take a long time. In courts, we have such a system that delay is being caused. I am not here to accuse the judiciary, but the judicial system as of now in India today is such that we are not able to get speedy justice. So, the hapless consumers should not be left in lurch. That is what has really stirred my conscience that we must bring this Bill at the earliest.

This Bill seeks to establish a regulatory authority with which the developer will register the project to be launched. If 'x' wants to launch a project, he has to register it with the regulatory authority. It is that simple. Secondly, while doing so, they have to declare all project related information, including the details of developers, status of land, various approvals, project schedule, information regarding architects and structural engineers, etc., so that there is transparency and people get satisfied when they come to know who the architects are, who the developers are, who the engineers are, and what is the size of the project. All these things will be in public domain. Thirdly, the disclosure helps the home buyers to make an informed choice. कौन-सा मकान खरीदना है, उसका डेवेलपर कौन है, उसका आर्किटेक्ट कौन है, पूरा ब्यौसा जनता के सामने आयेगा और जो कंज्यूमर्स हैं, ग्राहक हैं, उनको एक अच्छा च्वाइस मिलेगा। थोड़ी जानकारी उनके सामने रखने से, उनको जो पसंद होगा, वे उसे चुन करेंगे।

Apart from promoting fair play in real estate transactions, it also aims ensuring timely execution of the projects – timely execution is a major issue; people do not respect time and as a result, when there is cost escalation, the buyer or the consumer is always put to loss. Keeping that in mind, it ensures timely execution of the projects.

The Bill seeks to provide uniform regulatory environment and orderly growth of the real estate sector. We want the real sector to grow. As the Minister of Urban Development, I have no hesitation in saying that. We feel that the real estate developers are also partners in development. We do not consider them as untouchables. Some people have the habit of condemning the private sector. We who are in the Government do not believe that private sector is bad. Public and private partnership is the need of the hour. That is the way forward. We have seen the other methods in all these years, then we have learned by experience and that is why we have come to this conclusion.

Display of unanimity and the spirit of give and take by both the Government and the Opposition enabled the passage of this crucial Bill in Rajya Sabha on 10th March, and the stage is now set for receiving the Lok Sabha approval. The manner in which it was passed in the Upper House clearly highlights that the highest Legislature of the land could do it to further the aspirations of the people. The spirit of camaraderie demonstrated in the Upper House underlined what we could do collectively for the betterment of the lives of the people. The Rajya Sabha witnessed the rare occasion of the Opposition and the Treasury Benches giving credit to each other for introducing and piloting this Bill. I have no hesitation in saying – I have said it there and I am saying it here also – that it was a Bill brought during the earlier regime, by the earlier Minister. Then, certain improvements have been made in that Bill by both the Standing Committee and the Select Committee. Finally, now, the time has come during this Government that we brought this Bill and I am putting it before the House. The credit for the significant improvements in the Bill goes to the work done by the Standing Committee and it also goes to the Select Committee, the ideas they have exchanged among themselves and the conclusions they have reached has really helped me to come to some conclusion. Normally, in many of the cases, we come to Lok Sabha and people say, "You have majority here, you just got it passed and all that." But we have gone to Rajya Sabha because the issue was pending there. I am happy that Rajya Sabha, after deliberations...(Interruptions)

SHRI N.K. PREMACHANDRAN (KOLLAM): The same system has to be followed in other cases, including in case of Aadhar.

SHRI M. VENKAIAH NAIDU: It is a very good suggestion. If the same system of consultation, discuss, debate, decide and do not disrupt is allowed, I am happy to take this route. What Shri Premachandran has said is really a good idea. People of the country want it. This morning also I got a message saying, "Please preserve the example of Rajya Sabha and follow it also." I have no problem at all. The Government have nothing to hide. Whether it is Lok Sabha or Rajya Sabha, both of them have been given their respective jurisdictions and responsibilities. We should work together. Both of them together are called the Parliament of India. If we do not perform our responsibilities in Lok Sabha and Rajya Sabha, then it will go to *parlok Sabha*. This is what has happened to many of the Bills earlier. I do not want that to happen. If you discuss, debate and decide, good things will emerge and good ideas will come. Nobody is perfect. In spite of our experience, nobody is perfect. After discussion, some saner points or good points have emerged, and the Government had no hesitation at any point of time to take those suggestions forward.

I was moved by the response of the public on social media also, after the Rajya Sabha cleared the Bill. There was so much appreciation from across the country, from different parts of the country, hailing the passage of the Bill in Rajya Sabha. Many of them posted that they rejoiced at that historic moment and some were overwhelmed with emotions. I understand such reactions as cries of joy after having gone through the pain of waiting for long to get their due and finally, the moment of restoring order in the real estate sector becoming a reality. In this country, a lot of consumers have been taken for a ride by unscrupulous elements. I am not trying to damn the entire real estate sector. There are great people; there are good people; there are reputed builders and architects also who have constructed many buildings across the country. Our aim of Housing for All by 2022 is not possible by mere efforts of the Central Government or State Governments alone. Government of India, State Governments and then private sector also should join in a big way. If you consider the housing sector in the country, the contribution of the private sector individuals, whatever you call, is also immense. They have done a great job. We have so many prestigious projects in the country. That is why even the FDI also is coming in this particular sector.

Media has been following the progress for last three years and have given their thumbs up to the Bill. Almost all sections of the media have hailed the passage of the Bill because it enhances the confidence of the consumers and investors. It ensures transparency and also encourages accountability. That is the factor which was missing for many years for variety of reasons. I am not trying to get into politics because it has nothing to do with politics. It is an issue where we are trying to plug the leakages, shortages, shortcomings, if any, and trying to improve the system so that the system can help the people.

Jones Langs Lassalle India is one of the industries, a real estate consultancy firm opined that the enactment of the Bill as law will almost single-handedly revamp the way the real estate sector works across the board, from developers and end users and investors, to lending institutions and government agencies involved in the buying and selling of property.

Oberoi Realty, a Mumbai based real estate company, has said that the Bill is an excellent step. One of the significant issues flagged by the developers relates to cost of funds increasing on account of requirement to deposit 70 per cent of the collections in a separate bank account. I must clarify that the account to be maintained by the promoter is a separate account and not an escrow account. Also, the deposit of the 70 per cent is for both construction cost and land cost have also to be notified. Earlier it was fifty per cent. Even the Select Committee recommended 50 per cent. Some Members have given dissent note. I have taken note of the dissent also. I have raised it from 50 per cent to 70 per cent subsequently. The promoters can use the remaining 30 per cent for other expenses incurred or for any other business purposes. After all, you need to give them a little cushion, otherwise, it is not very easy to talk about an ideal situation. As you know, the promoter purchases some land, gives advance for some other land and meanwhile, he will complete this project and go to other project. Keeping that in mind, we have given that much cushion of 30 per cent available for him and pending 70 per cent. That way, you are assured that the project will be completed in time. A lot of projects have taken time. Earlier, delegations have come and met everyone of us. What happened in NOIDA? What happened in Gurgaon and in some other places by so-called big companies also? People are pained. They are agonising and they are coming to us including some of the media friends also have been taken for a ride. Normally, nobody would touch media. But some unscrupulous elements have also taken on media and they are also taken for a ride. They are also crying. That is why, there was a positive reaction because they also had an experience. The 30 per cent to promoter is to ensure that the project funds are not diverted and the projects are completed on time. That is why, a stipulation of 70 per cent has been brought in.

I can assure the industry that with the establishment of a regulatory mechanism there would be greater flow of investment because the credibility is invested, both national and foreign, into the sector, resulting in reduction in cost of borrowing. They should understand the industry who are saying that they are concerned. I can tell them that because of this regulation, the credibility of the sector is going to go up, acceptability is going to go up and more investments are going to come from foreign investors as well as investors from other sectors also. With that, the cost of borrowing will also come down because you will have a lot of other avenues.

Madam, the Bill seeks to enhance the credibility of the realty sector. As I said, right now the consumers end up paying more than what they were told at the time of launching a project. Subsequently they say, we launched the project, that was the rate, but subsequently this has been added,

that has been added and all. That is not allowed now. That has been put an end to.

Regarding the consequences of including the ongoing projects under the Bill, I discussed the issue with my officials. This shall have a bearing on the projects and consumers. In fact the Select Committee of Rajya Sabha too in its wisdom supported and retained the need for regulating existing projects. But at the same time, projects which are almost at the fag end of completion and all, what they require is they need to give only information. We are not going to harass them. Because there is so much concern among the industries circle as to what will happen to the ongoing projects, on ongoing projects whatever agreement you have entered earlier stands. You have to fulfil the obligations which you yourself have agreed upon through an agreement. And whatever conditions that were stipulated in your agreement, they have to be implemented *in toto*. All of what I am proposing will apply for the future projects along with the projects which have got stuck now. It is necessary for me to clarify that upon passage of the Bill, ongoing projects would not come to a standstill. Let me make it very clear in the premises of the Parliament. They will not come to a standstill, they will continue.

The Bill does not provide that the existing projects should stop all operations until complied with the provisions of the Bill. The Bill does not say that. The Bill only provides upon the formation of the regulatory authorities, all promoters of existing projects coming within the ambit of the Bill would need to register and provide and upload all project details on the website of the authority. This is mandatory. A window of three months from the date of the commencement of the said clauses, sections have been given to the promoters for registration also. Reasonable time has been given. All that developers need to do is to specify the project details of such apartments so that prospective buyers will make informed choice, project status is known to all, and ensure that the projects are completed on time. That is the need of the hour.

Regarding the provision of imprisonment for any violation of the orders of the regulatory authority, some concern is expressed in certain quarters including some sections of the media. It is certainly not a first option but only the last option. Let me make it very clear, you will be cautioned, you will be penalised, and if you do not adhere to the regulatory authorities order, then you will be taken to task. Why should anybody worry? If you are not violating any of the orders of the regulatory authority, nobody is going to touch you.

Some people are saying that this regulatory authority will be in one State headquarters or at some place and how can every house buyer in a village or town to go to the regulatory authority. No. Regulatory authority will be there and simultaneously 600 plus consumer courts also will be functioning. Their jurisdiction is not touched. We have the Consumer Affairs Minister here. The consumers courts also will have jurisdiction with regard to the cases wherein some people have a grievance.

There are many regulatory laws in the country with imprisonment provision for three to ten years of imprisonment. Under the Securities Act, under the Insurance Act, under the Pension Fund Act, ten years of imprisonment is provided. Food Security Act has seven years of imprisonment. Electricity Act has provision for five years imprisonment. There is imprisonment provided under Reserve Bank of India Act also. It is not that I brought in that provision only. I am just reminding them that there is a provision like this. Please be careful. That is the purpose of putting that in this Bill. And that is compoundable also. The builder can exercise these options also at that time if something goes wrong. But at the same time the authority will decide what to do.

There cannot be a consumer without a developer and vice versa. There cannot be a consumer without a developer. There cannot be a developer without a consumer. So, they have to work in unison. And we have to protect the interests of both. It is important for developers to mobile land. Land is a big issue. Madam, I want to take a little time on this. Our projects for housing for all and affordable housing, weaker section housing, low income group housing, all are *in situ* developments also. All these things linger on the issue of land. Either the Centre or the States, at the earliest they have to take a view on land acquisition. The land is acquired for affordable housing, for the poor man's housing, for the common man's housing.

13.00hours

Nobody should create any hurdles with regard to land acquisition. If somebody can give an idea that houses can be constructed without land, I will be glad to receive that idea and will also be ready to study that wonderful idea. The earlier Governments also have been constructing houses on land only, to my knowledge. Now, this Government also wants to construct houses on land. If I go to construct houses in the sea like in some other countries, my friend Shri Prakash Javadekar will come into picture and then there will be the issue of environment. There are also great people in this country who, without knowing the ground reality, will be shouting from the rooftops about this, that and all. Development, welfare and environment must go together. Some of the countries are developed and they are trying to put so many regulations and are trying to teach us lessons. India is on the verge of becoming a fully developed country. But at the same time, we cannot afford to ignore the nature. Nature, culture and future should go together. This is what the Government of India is doing.

SHRI K.H. MUNIYAPPA (KOLAR): It is a good combination.

SHRI M. VENKAIAH NAIDU: Yes, it is a good combination. Naturally, my friends from Kerala are more concerned about nature because it is 'God's own country' and a beautiful place to see. People visit Kerala and they really enjoy. I feel everyone in India must go to Kerala once in lifetime. They may meet Shri Venugopal or they may not; that is a different matter. Kerala does not belong to one person. Kerala is a beautiful country ...(*Interruptions*) Yes, it is a State. 'Country' means in that creation...(*Interruptions*) हिन्दी में राज्य कहते हैं, If you say *rajya*, तैलंगाना अलग राज्य है और आंध्र प्रदेश अलग राज्य है, तैलंगाना में थोड़ा ऐसा होता है। When the term 'God's own country' was given, that is creation. That was the idea. I must tell Shri Kharge and other friends, even my friends from Kerala, that the people who are in the Government are also concerned about the Land Acquisition Bill. They want some solution at the earliest because land is a major issue in Kerala also and a lot of activities are going on. I am giving something, the State Chief Minister is trying to mobilize something and together they want to go in a big way for housing sector in Kerala. Keeping that in mind, I would urge upon all the people concerned from different shades of political spectrum to please try to come to some sort of understanding about the Land Acquisition Bill so that the land is made available for the housing sector and we can really reach the goal of Housing For All by 2020.

Earlier, I was referring to the option of imprisonment. It is the lowest compared to all other regulations as far as the housing sector is concerned, and that too, for 'willful default'. Nowadays, the word has become very popular. It is 'willful defaulter' or as my friend Shri Tathagat Satpathy said, it

is 'skilful defaulter'. But a defaulter is a defaulter. Some people have the skills and some people do not have the skills. So, I appeal to this sector to understand the provisions in that perspective.

The Government is aware that 40 approvals are required for housing project and the important thing is that they should be given in time. I tell you it is an issue that reminds of other people. For construction of a project at Thiruvananthapuram in Kerala or at Anantapur in Andhra Pradesh or Medinipur in West Bengal, people have to come to Delhi for approval for some projects. So, projects are getting delayed. So, friends from the real estate sector, people from CREDAI are all raising the issue, 'Sir, you are putting all these regulations; we have no problem. But at the same time, what about approvals? Approvals are taking six months time, one year, two years or three years also. Cost escalation takes place and you are now trying to penalize.' That is why, during the discussion on this Bill, I appeal through this House to all the State Governments and also urban local bodies to be proactive.

We insist on early completion and we must also see that speedy approvals are given. I am dealing with that separately. There are incentives and disincentives. The Government has come forward with new regulations for AMRUT, Smart Cities, for the Housing For All and for all other urban development related issues. We are telling them that there are incentives and disincentives. You have to follow reforms. There is no other way; you cannot perform without reform. Mere reform will not suffice without performance. To perform and reform should go together. That includes speedy approvals.

You have seen how the Government of India is taking steps with regard to ease of doing business. Some people call it pro-business. We have no problem. Businessmen are also Indians; industry is also Indian. They are also needed for the country's growth. As we always believe agriculture and industry are like both eyes of the human being. We need to protect their interests also. At the same time, we have to see that the time prescribed is honoured.

I am happy to share with this House that to streamline such approvals these real estate bodies CREDAI and NAREDCO met me; they met my officers. They expressed their problems. So, this Bill has come after consultations at various levels with various stakeholders. The States have been consulted adequately; the real estate sector has been consulted adequately. Whatever has appeared in the media has also been analysed. We had a stakeholders' conference. My Secretary took a meeting for a full day to hear the views of the consumers. A lot of consumers came. They poured out. We also heard the NAREDCO and CREDAI. They also raised certain issues. All of them have been analysed.

I am happy to inform the House that I held seven high-level meetings with the Minister of Environment, Forests and Climate Change; my senior colleague Shri Ram Vilas Paswan, the Minister of Consumer Affairs; the Minister of Civil Aviation; the Minister of Defence; and the Minister of Culture.

If you have a monument in your town, to get permission for construction nearby a monument, it again takes time because you have to come to Delhi. If you are constructing a project near an airport area, you have to come to Delhi. For one project, you have to come all the way to Delhi. If defence establishments are there, you have to come to Delhi for permissions and all. All these issues were discussed threadbare.

I am thankful to my colleagues. There were seven of them. Some of them are senior. Shri Ram Vilas Paswan, for example, is the senior most among them. All of them were very patient. They came with their Secretaries and answered each and every issue which was raised by all these Ministries. As a result, we have taken significant measures to ensure online and timely approvals.

I am happy to announce in this House that many of them are now ready for online approvals and also timely approvals. People talk about the single window approval system very easily. In phraseology, you can say, 'single window', but it is not easy; you cannot put everything in a window. The meaning of 'single window' is easy approval. Our idea at the end of the day, as the Prime Minister feels, is that 'man to man' contact or 'woman to woman' contact has to be reduced because I need not explain what will transpire if both hands meet. â€ (Interruptions)

Sir, first of all I have to explain so that you can support me.

SHRI MALLIKARJUN KHARGE (GULBARGA): Naidu Sir, I am sorry to interfere. हम बिल को पास करना चाहते हैं और आप इतना लंबा खींच रहे हैं, because you do not want to reply after the discussion. ... (Interruptions)

SHRI M. VENKAIAH NAIDU: I only think that if I present it, you apply your mind and there will be no need for a reply afterwards because all the information is supplied. ... (Interruptions)

SHRI MALLIKARJUN KHARGE: Already you have supplied the information and we have applied our minds also. ... (Interruptions)

SHRI M. VENKAIAH NAIDU: What is needed after the information is confirmation.

The Civil Aviation Ministry has made available zoning maps for 13 major airports online. Nine more would be available by June, 2016. Automated 'No Objection Certificate' approval system and height clearance are operational from 6th January, 2016. So, you need not come here. It is supplied to all the municipalities across the country. You can see what the height is. There is a colour coding. So, you can understand where you stand and you get approval automatically. If you file false information, your project will be liable to be demolished tomorrow. We have taken that precaution. We know how it is about simple self-declarations.

Next, the Ministry of Culture has notified an online NOC process; handheld APP and heritage byelaws have been made.

In Defence, the review of ammunition storage policy is also taking place. The area commanders have been given all the details. They have to share the restricted zone details with the municipal bodies. They do not want to put it on the website because Defence security related issues are there. If you are nearby a particular Defence establishment, that information is given to the local municipal body and you can access from the municipal body.

The CCZMs for four Defence airports will also be ready by April, 2016. Defence Airports have a peculiar problem.

Model Building Bye Laws are being finalised by the Ministry of Urban Development in consultation with the Ministry of Environment and Forests. We are at an advanced stage. Once the Parliament is over, on any day, those bye laws will be amended and will be announced for the public so that they need not come to Delhi for environmental clearance for a project up to a particular level. That responsibility is given to the urban local bodies. I think it is a really historic step. The Ministry of Environment and Forests have agreed to integrate environmental conditions and norms in building approval process and now include it in the Model Building Bye Laws by the Ministry of Urban Development. It is now up to the States to adopt these model building bye laws and there shall be no need to get separate clearance from the Ministry of Environment and Forests for a project up to 1.5 lakh sq.m. If you are going to construct a project up to 1.5 lakh sq.m., you need not come to Delhi for the approval. You can get it approved there. That is one of the major steps taken by the Ministry of Environment and I am thankful to the Minister because in the name of environment a lot of delays were taking place. There was also a talk of some environmental tax.

There is a revision of National Building Code. National Building Code, 2015 is finalised after incorporating Urban Development's Model Building Bye Laws. Unless the building bye laws are modified and National Building Code is amended, you cannot do it. So, you have to take care of these aspects also. Revision of National Building Code is finalised after taking our suggestions. I am happy to inform this august House that I will be announcing the model building bye laws incorporating all these streamline procedure in a short time. Ultimately, our target is to ensure that all required approvals are given in about a month's time. That is my wish. I would like to see that becomes a reality. The urban local bodies and the State Governments should take a proactive role. I have an example from the State of Kerala. Each municipality has to approve even the Central-Government sponsored projects. So, the Kerala Government in a historic move has brought in a legislation saying that if a project is approved by an authorised architect there is no need for the municipal body to give permission. Such things should really help in hastening the process of approval as also completion of projects on time.

To ensure housing for all, the Government has launched the Prime Minister's Awas Yojana with an intention of constructing two crore houses for urban poor. Keeping in view my request to give housing an infrastructure status, a number of announcements regarding the concessions, whether they are service tax, income tax or FDI, have been made by my colleague, Shri Arun Jaitley, in the Budget. Without giving it an infrastructure status he has practically agreed upon all the suggestions I have given. I will be further working with him. I would like to see a day wherein the interest rates are further brought down. The only way to bring down the interest rate is that the economy should grow. If the economy has to go up we must have Bills like GST by which our economy can be taken to further heights. If you take the economy to heights you can bring the interest rate down. That is the only way to achieve it. I have some experience of Shri Atal Bihari Vajpayee Government where the housing interests were brought down to 7.5 per cent. Subsequently, they had gone up to 11 per cent. Now, they have come back to 9.5 per cent or so but ordinary persons cannot afford it. For that also, the hon. Finance Minister just yesterday announced interest subvention for which I think, we have to make a provision of around Rs.15,000 crore. He had mentioned about it yesterday. That will also go a long way. But I will be happy when the interest rate comes down to 7 to 7.5 per cent as that will make the home buyers very happy. They will be able to afford to buy a house and then will be able to repay instalments. What I am trying to suggest to the House is that we have almost incorporated a majority of the suggestions of the Standing Committee, suggestions of the Select Committee and also suggestions given informally by various people.

Keeping that in mind, I would urge upon this august House to please understand and appreciate the intent as also the objectives of this important Bill and extend full support. This is what I want to appeal to the House.

HON. SPEAKER: Motion moved:

"That the Bill to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto, as passed by Rajya Sabha, be taken into consideration."

SHRI K.C. VENUGOPAL (ALAPPUZHA): Madam, I thank you for giving me an opportunity to initiate the discussion on this historic Bill regarding real estate.

Madam, hon. Minister, Venkaiah Naiduji in his initial remarks has already admitted that this is a baby of the UPA Government. I am grateful to him for admitting that fact. Yesterday, the hon. Finance Minister while replying to the discussion on the Budget criticized us by saying that UPA is claiming everything just like Aadhar.

When Aadhar was introduced by the UPA Government, at that time, we faced a lot of agitations from other Members including the Members from Treasury Bench Parties. The entire nation was agitating against Aadhar. They said that it is not good for the people. This feeling was created by some Parties. But now everybody agrees that Aadhar is one of the important things.

The same thing happened when this Real Estate Bill was introduced in Parliament in 2013. This Bill was referred to the Standing Committee and it has given its recommendations. In the meantime, the Government had changed and NDA came to power. The Standing Committee reported in February 2014 following which the Cabinet considered the amendments in December 2014. The Bill was re-introduced in the last Budget Session with amendments by the NDA Government.

In that amended Bill, some of the provisions which were incorporated in the UPA Bill have been omitted. These provisions are crucial. That is why, there is a demand from the Rajya Sabha for referring it to the Select Committee. I would really congratulate the Select Committee which has done a good work under the chairmanship of Shri Anil Dave. He has incorporated majority of the views of the Members. This Select Committee has done a good work and this Bill has been brought and we welcome it because this is the need of the hour.

Madam, to build a home is the dream of the people especially the poor people. In our country, lakhs of people are waiting for constructing their own home. We know that a lot of faulty practices are going on and a lot of cheating is going on in the name of real estate. People are being cheated. Somebody collects money from them and then they divert the funds. In the end, their dream will not be fulfilled. Therefore, this Bill is the need of the hour to protect the interest of the allottees and consumers. Therefore, I welcome this Bill wholeheartedly as also the steps taken by the Government for introducing this Bill. This Bill was introduced by UPA but now wisdom has prevailed upon the Government as it has incorporated every suggestion to remove the problems faced by the poor people.

Madam, coming to the Bill, what are the key features of the Bill? It says that all States and Union Territories must establish State level regulatory authorities called Real Estate Authority within one year of the Act coming into force. The Bill also proposes to constitute a Tribunal called Real Estate Appellate Tribunal to hear appeals against decisions of the Authority. Each Tribunal will consist of a Chairperson, and two members – one with a judicial background and one with a technical background. If some issue is observed, it may also refer the case to the Competition Commission. Thirdly, a Central Advisory Council consisting of representatives from the Union Ministry, State Governments, representatives of the Real Estate Regulatory Authorities, consumers and labourers will be established. The Council will advise the Central Government on major questions of policy and protection of consumer interest.

Madam Speaker, there are a lot of provisions in this Bill and the hon. Minister mentioned some of them. One of them is, 70 per cent of the amount collected from the buyers should be used only for construction. This is one of the remarkable things that has been brought in. Now-a-days what is happening is that, these developers are collecting money from the buyers and divert these funds for other purposes. This kind of diversion will damage the buyers' cause. That is why, these days the people are waiting for a long time to fulfil their dream of buying a house. Therefore, this provision has been brought in saying that 70 per cent of the amount collected should be kept in a separate account and that should be used only for constructions only. That is a very good provision which I have to mention.

Then, the Bill requires that all residential projects with some exception be registered. Promoters cannot book or offer those projects for sale without registering them. That is also one of the key aspects of this Bill. But registration is not required for projects that are less than 500 sq. metres or entail the construction of less than eight apartments or entail renovation, repair, re-development without re-allotment or marketing of the project. Here, I have a suggestion to the hon. Minister. Earlier, the limit was 1,000 sq. metres. But now you have made it as 500 sq. metres or eight flats. I have a suggestion to make. Why are you going for registration? Obviously, it is to protect the poor people. If they are constructing a building of the size of 500 sq. metres, how can we penalise them? Being a poor-friendly Bill, being a customer-friendly piece of legislation, I think, that provision should have been avoided. There is no need for such stipulations. I think the Rajya Sabha Select Committee have also given that suggestion to you. But that suggestion has not been accepted.

There is also a provision stating that the real estate agents must also register themselves. Now-a-days there are a lot of agents in the real estate sector and there is no regulation for them. But now the real estate agents must register themselves in order to regulate the sale and purchase of properties in real estate projects that have been registered. Registered agents must not facilitate the sale of unregistered projects nor can mislead buyers regarding services offered. This would also provide transparency in this sector.

I would like to invite hon. Minister's attention towards some inconsistencies. Already AIADMK pointed out an inconsistency in this Bill. This Bill already provides that the States can continue to apply their laws regulating real estate. The States have the freedom to do it because land is a State subject. The States can continue to apply their laws regulating real estate to the extent that these laws are not inconsistent with the Act. However, several States have already enacted or are in the process of enacting laws that have provisions that are inconsistent with the Bill. For example, while the Central Bill mandates that 70 per cent or less as determined by the State Government of the funds collected from buyers of a project be used only for construction of that project, certain State Governments have allowed for greater possibilities in this fund. The Maharashtra Housing Regulation and Development Act 2012, for example, mandates that the entire amount collected from buyers be kept in a separate account and be used for the purpose for which it is collected. That is what the Maharashtra legislation is telling.

Where the Central Bill mandates the establishment of statutory regulatory authority, West Bengal has delegated this function to a Government Department. While the Central Bill mandates something, the State Act mandates something else. So, there is a scope for inconsistency. So, the Government has to examine as to how to deal with that situation. That is my point.

Coming to the issue of penalty, according to the provisions of the Bill, the penalty for the consumer is higher and the penalty for the developer is less. I think the hon. Minister should note that fact. Developers have to pay only two to three per cent in case of default but the consumers pay 16 to 18 per cent of interest for their default. This is also against the suggestion made by the Select Committee. It should be rectified.

The Rajya Sabha Select Committee in its Report pointed out that the interest rate payable by the promoters as well as allottees shall be same eventually for any default by either of them. Therefore, it is against the fundamental recommendation of the Committee. My suggestion here is that both the allottees and the promoters should pay the same interest rate for any default.

The Select Committee has also recommended that 50 percent made by home buyers for real estate project shall be kept in a separate account and used for a specific project only. It was changed. I am appreciating the Minister's wisdom in that area. He stated that 70 per cent of the amount should be deposited in a separate account, as it was in the earlier UPA Bill.

In addition to penalty provision up to three years imprisonment proposed by the Government, the Committee has introduced an imprisonment clause for the realtor failing to abide by the orders by the Appellate Tribunal. This recommendation has been accepted by the Government.

About the registration of the company or association seeking to register real estate project, redefinition of allottee should be changed in such a way that wherein person agreed to be sold to must also be included. This is one of the important points I would like to bring to the notice of the Minister. Here, redefinition of allottee should be changed in such a way that wherein person agreed to be sold must also to be included. Minimum size of the portfolio of the project is required to come under the purview of this Act.

What exactly are we demanding? Earlier commercial real estate projects should also be incorporated. This also has been included in the current Bill. But there is an issue because 93 per cent belong to the housing sector. If you include this commercial real estate projects also, then, there is also a scope for diverting the things. In the earlier Standing Committee Report on the UPA Bill, it was not incorporated. That is what my suggestion is.

The Bill has been delayed for sometime. Hon. Venkaiah ji has himself pointed out that the entire House has requested for early passage of the Bill. A lot of agitations are taking place throughout the country. Congress Vice President and Shri Rahul Gandhi has raised the matter, and requested the Government to expedite it, come with a very good law. At last, this law is happening. Therefore, the speedy implementation of this law is the need of the hour.

The country is waiting for such a fruitful law. I was told that lakhs of people are waiting for the passage of this Bill so that they can have their own homes. Now a days, the real estate sector has a very great boom. After agriculture, it is the second largest employer in this country. Real estate construction is the third largest industry among the economy. It has a very great potential. Therefore, we need to regularise it. The Government has come forward with this Bill. Shri Venkaiah Naidu has got the opportunity to introduce this historic Bill and pass it. We are complimenting you for passing of such historic Bill. Shri Premachandran has already pointed out that this type of legislation is needed for the country. We need debates and discussion. The Minister mentioned about discussions in Rajya Sabha. We are also discussing. Sometimes, here, we are passing the Bills. When it goes to Rajya Sabha, they are giving amendments. Here, you are not accepting our amendments. You are passing the Bill without our amendments. It goes to Rajya Sabha. In Rajya Sabha, they are giving amendments. That is coming to Lok Sabha again for approval. This is not a healthy democracy. Therefore, we are supporting good laws; we are supporting good legislations. That is the way of Parliamentary democracy debating.

Once again, I would like to congratulate the efforts taken by the UPA Government and the present Government for bringing such a very good Bill in the real estate sector.

Thank you, Madam Speaker.

HON. SPEAKER: The House stands adjourned to meet again at 2.30 p.m.

13.31 hours

The Lok Sabha then adjourned till

Thirty Minutes past Fourteen of the Clock.

The Lok Sabha reassembled after lunch

at Thirty Minutes past Fourteen of the Clock.

(Hukmdeo Narayan Yadav in the Chair)

श्री प्रह्लाद सिंह पटेल (दमोह) : सभापति महोदय, भूमिपदा सैक्टर के विनियमन और संवर्धन के लिए भूमिपदा विकास प्राधिकरण की स्थापना के लिए सरकार जो बिल लेकर आई है, मैं उसके समर्थन में खड़ा हुआ हूँ। मैं एक लाइन में अपनी टिप्पणी करूँगा कि सुशासन की दिशा में यह एक और महत्वपूर्ण और सशक्त प्रयास सरकार का है और इसलिए मैं सरकार के मुखिया और मंत्री महोदय को हृदय से धन्यवाद देता हूँ। कृषि के बाद सर्वाधिक रोजगार देने वाला यह क्षेत्र है, जिस पर वास्तव में सरकारों को विंता करनी चाहिए थी। उपभोक्ता हो या निर्माता, दोनों के बीच में समन्वय बनाने का काम सरकार को करना होता है। अगर उसमें भी तूट की गुंजाइश बनी हो और विश्वास टूटने लगे तो सरकार का नाम ही इसी बात के लिए है कि वह उपभोक्ता और निर्माता के बीच में समन्वय स्थापित करे, विश्वास पुनर्स्थापित करे और मुझे लगता है कि यह जो बिल आया है, यह विश्वास की पुनर्स्थापना का बिल है। उस लाख तोग हर वर्ष मकान खरीदते हैं और लगभग 3.5 लाख करोड़ रुपये का निवेश इस क्षेत्र में होता है। देशी और विदेशी कंपनियों की अगर हम चर्चा करें तो लगभग 76 हजार कंपनियां इस निर्माण के काम में लगी हुई हैं। जैसे गेय काम मंत्री जी ने आसान कर दिया है, जितने मुद्दे थे, उनमें काफी चीजें आ गई हैं। मैं कोशिश करूँगा कि मैं उनकी पुनरावृत्ति न करूँ। लेकिन कुछ चीजें जरूर हैं, इस कानून के तहत जैसे 'रेस', पहले उसकी अवधि 90 दिन होती थी, अब उसे घटाकर साठ दिन कर दिया गया। पहले कभी इसकी समय सीमा तय नहीं थी और इसलिए मैं सरकार को इस बात के लिए बधाई दूँगा कि आपने एक अच्छा काम किया है। बिल्डर्स के बारे में जब कोई शब्दावली उपयोग की जाती है तो ऐसा लगता था कि जैसे भरोसा नहीं होता था। विज्ञापनों में बड़ी-बड़ी बातें होती थीं, लेकिन वास्तव में उन्हें पूरा करने की जमीन पर कोई सचाई दिखाई देती नहीं थी। लेकिन इसमें साफ कड़ा गया है कि विज्ञापन में अगर आपने कुछ कड़ा है तो आपको वह पूरा करना होगा, वरना अथारिटी और ट्रिब्यूनल इस बात के लिए फैसला करेंगे कि कौन दोषी है। इसलिए मैं इस बात के लिए भी सरकार को बधाई दूँगा।

सभापति महोदय, मैं गांव से एक छोटे कस्बे से आता हूँ। ऐसा लगता है कि बिल्डर्स सिर्फ महानगरों में काम करते हैं। अगर आंकड़े उठाकर देखे जाएं तो तीस फीसदी अगर कहीं कमी है तो वह महानगरों में है, 70 फीसदी अगर आज भी जरूरत है तो वह ग्रामीण क्षेत्रों और छोटे कस्बों में है। इसकी भरपाई कैसे होगी। अगर हम सरकारी आंकड़ों को देखें, दो क्षेत्र हैं, एक सरकारी और एक निजी। चाहे हुडको हो या फिर हाउसिंग बोर्ड के जितने भी चाहे स्टेट के हों या केन्द्र के हों, अगर हम उनके आंकड़ों को उठाकर देखें तो उनके पास पूंजी नहीं है कि वह इसकी भरपाई कर पायें। 2022 तक का सरकार का सपना है कि हर व्यक्ति के पास मकान होगा। लेकिन आंकड़ा बहुत बड़ा है, आपको पांच-छः करोड़ से ज्यादा मकान बनाकर देने हैं। इसके लिए पूंजी कहां से आयेगी। इस कानून का एक लाभ मुझे जरूर लगता है और इसके लिए मैं सरकार को बधाई दूँगा। सिंगापुर से मेरे एक मित्र आए थे, वह पांच हजार करोड़ इसलिए इनवैस्ट करने के लिए तैयार हैं, क्योंकि कानून सामने आ रहा है। जब आदमी को सेफ लगता है तो पूंजी लगाने के लिए दुनिया में बहुत सारे लोग हैं, लेकिन जब यहां भरोसा टूटता था तो कोई पूंजी लगाने के लिए तैयार नहीं होता था। लेकिन इस कानून के बनते ही लोगों ने निवेश करने की हिम्मत जुटाई है। एफडीआई आयेगी तो निश्चित रूप से रोजगार के अवसर भी पैदा होंगे। लेकिन मुझे लगता है कि चुनौतियां भी बहुत सारी हैं। हमने इस पूरे कानून में बहुत सारी बातों को साफ किया है, लेकिन उनकी पुनरावृत्ति इसलिए नहीं करना चाहूँगा, क्योंकि उसमें मंत्री जी ने अपनी बात कही है। लेकिन एक बड़ी आसान सी बात गांवों में होती थी कि कोने का मकान है, सामने का मकान है तो उस प्लॉट की कीमत बढ़ जाती थी।

इस छोटी सी चीज को भी इस कानून में स्थान दिया गया कि इस प्रकार से डिस्क्रीमिनेशन नहीं हो सकता है। सभापति जी, आप जानकार हैं, अनुभवी हैं। मैं नाटक देखता हूँ, ताज़महल नाम का एक नाटक इस देश में होता था, लेखक का नाम मैं नहीं तो रखा हूँ। वे कहते थे कि यदि ताज़महल इस जमाने में बनता तो शाहजहां टैंडर पास नहीं करा पाते। ऐसा कर के उस बड़ी लंबी प्रक्रिया पर मज़ाक उड़ाया गया है। शायद मुझे लगता है कि इस कानून के बनने के बाद उस नाटक की मनोदशा कालगूही हो जाएगी, लेखक को नए सिरे से नाटक लिखना पड़ेगा कि विलंब के जिन कारणों

का आज हम इस सदन में उल्लेख कर रहे हैं और जिन बातों को हमने साफ कर दिया, मैं कहूंगा कि यह तो बहुत पहले हो जाना चाहिए। देश ने बहुत नुकसान उठा लिया है। इसलिए उसकी भरपाई कितनी आसान होगी, और कितने समय सीमा के भीतर हम कर पाएंगे यह हम सारे लोगों के लिए बहुत जरूरी है। मैं आपके माध्यम से मंत्री के ध्यान में एक बात लाना चाहता हूँ। दो आंकड़े मेरे सामने हैं। एक ड्रडको और हाऊसिंग बोर्ड का है, जो आश्वासन यह सदन देता है, उसका आंकड़ा मैं कह रहा हूँ, अलग से आंकड़ा नहीं कह रहा हूँ। दिल्ली जैसी जगह पर भी सरकारी एजेंसियों ने जो मकान बनाए हैं, उनमें से खाली मकानों की संख्या लाखों में है, जो निजी हैं उनका आंकड़ा भी मैं एक रिपोर्ट से उल्लेख कर रहा हूँ। मुंबई में 2 लाख 4 हजार से ज्यादा हैं। एनसीआर में दो लाख के आस-पास है, बेंगलुरु में एक लाख से ज्यादा है, पुणे में 67 हजार, चेन्नई में 47 हजार, बेंगलुरु में 35 हजार है। ये मकान निजी कंपनियों ने बनाए हैं और खाली पड़े हैं। देश के सामने दो समस्याएं हैं। एक तरफ जरूरतमंद के लिए मकान नहीं है और दूसरी तरफ मकान खाली पड़े हुए हैं, चाहे वह निजी कंपनियां हों चाहे सरकारी कंपनियां हों, कहीं न कहीं इस खाई को पूरा करने के लिए भी हमें इसमें सख्त प्रावधान नियमों को ले कर आना चाहिए।

दूसरा, मैं मंत्री जी से आग्रह करूंगा कि शहरों की आबादी इतनी ज्यादा है कि देश का कुल रकबा 2.3 प्रतिशत जमीन पर तीस प्रतिशत आबादी है। वहीं पर ज्यादा खर्चा है। इसलिए हमको नए शिरे से यह तय करना पड़ेगा। मैं किसान हूँ। अवसर खेती योग्य जमीन पर ये निर्माण बड़ी तेजी के साथ शहरों के चारों तरफ फैलते हैं। वया हम खेती योग्य जमीन को बचाने का भी कोई प्रावधान इसमें कर सकते हैं? मकान बनने चाहिए, लेकिन किस स्थान पर बनेंगे, मैं यह सावधानी बतौर एक दूसरा सुझाव सरकार को देना चाहता हूँ। तीसरी बात मैं यह कहूंगा कि जो ट्रिब्यूनल में आपने सिफारिशें की हैं, उनमें ऐसा न हो कि बिल्डरों का दोष छोटे कर्मचारियों के मध्य मढ़ दिया जाए। यह मेरा सुझाव है। तीसरा है कि रैग्युलेटरी अथॉरिटी आप बनाएंगे, राज्य उसका कियान्चन करेंगे। जैसा कि हमारे मित्र भी कह रहे थे कि पश्चिम बंगाल में अथॉरिटी बनाने की बात सरकार ने की है। हमारे यहां महाराष्ट्र में सौ प्रतिशत पैसा बिल्डर को खाते में जमा करना होगा। कहीं यह कॉन्ट्राडिक्टरी तो नहीं होगा, क्योंकि अनुपालन करने का काम राज्य करेंगे, कहीं वे उसको बदलने का काम तो नहीं करेंगे, उसके साथ छेड़खानी तो नहीं करेंगे। वया केंद्र का कोई ऐसा प्रावधान आप बना पाएंगे, जो सारे देश में यह कानून एक रूप दिखे और एक तरह से अमल में आए।

अंत में मैं आपसे कहना चाहता हूँ कि बीपीएल का आदमी, ट्रिब्यूनल का सामना कर पाए, वया इसके लिए कोई सस्ता और सुलभ न्याय व्यवस्था के बारे में भी वया विचार होगा? क्योंकि जब कभी मुकदमा चलता है, तो धन और वकील का खर्चा उस पर फैक्टर है, इसलिए मुझे लगता है कि कानून बहुत अच्छा है। आपने छोटी से छोटी चीजों की उसमें शिंता की है। इसलिए मैंने उसकी पुनरावृत्ति नहीं की है, लेकिन कुछ बातें जो मेरे जीवन के अनुभव की हैं, चूंकि हम लोग गांवों से आते हैं, उसको मैंने कहने की

यहां पर कोशिश की है। आपने समय दिया, उसके लिए धन्यवाद। मैं सरकार को बधाई देता हूँ और उनका आभारी हूँ कि उन्होंने हमारा काम सस्ता कर दिया, इसलिए हम कम समय में अपनी बात कह पाए।

SHRI R.P. MARUTHARAJAA (PERAMBALUR): Sir, I express my sincere thanks to hon. Chief Minister Puratchi Thalaivi Amma for giving me this opportunity to speak in this august House.

The Real Estate (Regulation and Development) Bill, 2015 relates to land, which comes under the Seventh Schedule of this Constitution and is a State subject. The Government of India seems to be introducing this Bill under the residuary powers vested with it. The realty sector does not fall under the purview of the legislative competence of the Union Government. It would have been a better idea, had this been sent as a model Bill to the States, with States enacting their own Bill to regulate the real estate sector.

It is the constitutional right and duty of the State Government to protect the consumer in realty sector. How can we accept a Bill which eats into the powers of the States? This is one more classic example of infringing upon the powers of the State. The federal system of Government did not advocate this kind of encroachment in the powers of the State. That is why, our Party All India Anna Dravida Munnetra Kazhagam, spearheaded by the visionary leader, hon. Chief Minister, Puratchi Thalaivi Amma, categorically oppose this Bill in toto.

This Bill would bring Government agencies like the Tamil Nadu Slum Clearance Board, the Tamil Nadu Housing Board, the Police Housing Corporation, Cooperative Housing Societies under the purview of the Act. The Government agencies should be kept out of the purview of the Act since the Government is responsible for the construction and will protect the interests of the consumers.

Section 3 provides for prior registration of real estate projects with a Real Estate Regulatory Authority and talks about the area and number of apartments. The power to modify the threshold limit should vest with the State Government and should not be appropriated by the Central Government.

The time period informed by the promoter should be co-terminus with the validity of the planning permission issued by the competent authority.

As per section 4(2) (D), seventy per cent or such lesser per cent as notified by the appropriate Government of the amounts realized for real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank and shall be used only for that purpose. However, in the explanation, construction should be explained to include the cost and including the amount spent on purchase of land prior to the commencement of the project. It should also be made mandatory for the promoter to submit the accounts for the projects to the Real Estate Regulatory Authority every quarter.

The Bill casts obligations on the competent authority to complete the remaining development works. This is practically impossible. Revocation of registration should be followed by appropriate criminal and fine/compensation against the promoter. The competent authority or the Government cannot step in at this stage to complete the project.

There should be penal provision, apart from the return of the amount and compensation if the promoter fails to complete or unable to give the possession of apartment or building.

This Bill will result in making homes and flats more expensive in India. Affordability would be affected because of the various new additional costs. This would make the projects time consuming and expensive. This would drive genuine, small time marginal developers out of the realty business and MNCs would only thrive.

We must strengthen, empower the home buyer, particularly, those who are buying their first home, for whom that home is a life time dream. But this Bill may derail the ambition of a common middle class family to have a dream house of their own.

The Bill is not strictly within the legislative competence of the Central Government. Also, the Bill casts undue responsibilities and takes away the rights of the State Government and the competent authorities.

We oppose the Real Estate (Development and Regulation) Bill 2015 *in toto*. Thank you, Sir.

PROF. SAUGATA ROY (DUM DUM): Sir, I rise to speak on the Real Estate (Development and Regulation) Bill.

It is good that this Bill has come and there is unanimity from both the sides of the House on this Bill. This Bill has been on the anvil for a long time since 2012. It was sent to the Standing Committee on Urban Development. The Standing Committee gave its Report in February, 2014. This Bill has been on the anvil ever since this new Government came to power. It is good that now this Bill has come through the Rajya Sabha route, and the Rajya Sabha has passed it. So, the Government's allegation that the Opposition blocks everything in Rajya Sabha has not been proved in this case. The Lok Sabha is to debate on the Bill, and pass it now.

Sir, these are difficult times. That is why, unanimity is important. We have elections in four States pending before us. These are times when sting operations will be done. There will be efforts to turn this Lok Sabha into a theatre of the absurd by pitting Opposition Parties against each other. This will be time when names will be called and fingers pointed at. But if in the midst of all this we can sanely discuss a Bill, legislation, then it will prove the efficacy of the parliamentary system of democracy.

Now the Minister, with a lot of portfolios like Parliamentary Affairs, Urban Development, Housing and Urban Poverty Alleviation, Mr. Venkaiah Naidu, our good friend, knows that the realty sector in the country is faced with two types of problems. On the one hand there is a total glut in the real estate sector. Sir, 18 per cent of the built apartments are lying vacant. FDI in real estate has trickled down to about six per cent. Even the built up flats of big builders of the country, DLF, Unitech and Hiranandani, are lying vacant. They are not able to sell. The Government must do something to push the real estate sector.

The second thing about the real estate sector is, there is a shortage of houses to the tune of 19 million. The Government has promised house for all by 2022. So, unless we can bring in more investment, including FDI into the housing sector, the housing shortage will not be made up. But thirdly, the matter with which I am most concerned is the plight of the middle class person who is seeking a roof over his head. The biggest investment he makes in his life is in buying a flat. Today this middle class person is subjected to the maximum amount of trials and tribulations. Why? A promoter comes up with a project. He deposits money. The project is not completed in one year, two year or three years and in some cases in seven or eight years. He pays money for a project. But the promoter does not give him what was promised. Even in case of total area, he calculates only the carpet area. It means that the ordinary consumer is taken for a ride in most cases.

It is true that there is the Consumer Protection Act under which people can go to the Consumer Court. But that Act is not a strong enough Act which will provide relief to the affected consumers who are putting their life savings into this sector. That is why I welcome this Bill, which will bring transparency in the real estate sector. This transparency brought in the real estate sector will give a spurt in the housing activities.

माननीय सभापति: अब आप समाप्त कीजिए।

â€¦(व्यवधान)

पू. सौगत राय: मैं जल्दी समाप्त कर दूंगा। मैं कुछ खराब बात नहीं बोल रहा हूँ, आप जानते हैं...(व्यवधान)

माननीय सभापति : लेकिन इसे समय पर पास करना है।

â€¦(व्यवधान)

पू. सौगत राय: ठीक है। हमारे बहुत सारे कन्सर्न्स हैं। आपके सामने नहीं बोलेंगे तो क्या रास्ते में जाकर बोलेंगे।â€¦(व्यवधान) The Bill has been well-thought out and it has several parts. First is the question of registering any new project. But there the Housing Minister has a point that he has limited the case of application to 500 sq. metre. I want it to be reduced further because there are many places where only six flats are built. Why limit it to eight? उससे नीचे कोई नहीं जा सकता।

The good thing is the total transparency. You have to put online all the applications, number of flats, the background or history of the promoter – everything will have to be put there. A Real Estate Development Regulatory Authority is to be created. In which a person experienced in housing business will become the chairman and it will have another member.

माननीय सभापति : अब आप अपनी बात समाप्त कीजिए।

â€¦(व्यवधान)

प्रो. साँगत राय: सर, दो ही मिनट बाकी हैं। हम समाजवादी बात बोलेंगे।

Sir, the other thing is that there is a provision for a real estate appellate tribunal where anybody who is aggrieved with the decision of the Real Estate Regulatory Authority can go in appeal. That will have a judicial member of the status of a High Court judge.

Third is the advisory council at the national level which is very welcome because we need to form a housing policy for the whole country. Last, this Bill envisages certain punishments for people who will violate orders of the Regulatory Authority.

I would suggest some minor changes in it. The Bill is a well-thought out one. It is good for the country. It will bring transparency in the housing sector. It will give spurt to housing activities and it will protect the helpless and hapless consumer. I would like the Minister as soon as the Bill is passed to make it apparent at the earliest so that the Real Estate Development Regulatory Authority is formed; so that the appellate tribunal at different levels are formed at the earliest and also the advisory committee is formed at the earliest.

Mr. Venkaiah Naidu has taken up many projects of urban development though I am a little sad that he cut out the name of Jawaharlal Nehru from the Urban Renewal Mission and has included Atal ji's name.

माननीय सभापति: अब आप समाप्त कीजिए।

â€¦(व्यवधान)

PROF. SAUGATA ROY: I have already said that I have no objection to it.

SHRI KALIKESH N. SINGH DEO (BOLANGIR): Hon. Chairperson, Sir, I rise to speak on the Real Estate Regulation Authority Bill, a Bill which is much required in today's real estate business environment, both for consumers as well as for promoters. The real estate sector is the second largest employer in the country. It contributes to about nine per cent of the GDP. Ten lakh consumers buy houses every year from almost 76,000 companies. The size of the real estate sector is scheduled to grow up to 676 billion dollars by the year 2025 and the Prime Minister's vision of 'House to All' needs to be incorporated.

There was an absolute screaming need for regulation to be brought in. Under the previous avatar, many laws and many authorities regulated different aspects of the real estate business environment. I must congratulate the hon. Minister, Shri Venkaiah Naidu, for bringing this Bill in. I think, it is a wonderful start and a wonderful step towards ensuring and streamlining the regulatory environment for the real estate sector. The excesses caused by the imbalance of power during negotiations between consumers and sellers, as the hon. Minister pointed out, were indeed extreme. In many cases, projects were delayed, changed, charges were increased, rates were increased unilaterally and the buyers had no recourse. As the hon. Minister pointed out, the courts take a long time to adjudicate. Therefore, there was a need to set up an individual authority with an appellate tribunal to address the concerns of the buyers and the promoters. In that, I am happy, and I must congratulate this Government for doing so.

Sir, since time is limited, I am going to go straight to the real issues which, I believe, have been left out in this Bill. Many issues have been covered. Let me come to the first issue which Prof. Saugata Roy was addressing. The minimum size of plot covered is 500 square metres or eight apartments. I understand that going below that would mean that a lot of individual house-owners would come into the ambit and create a burden on the authority itself, but, Sir, as the hon. Minister would be well aware, all of NCR of Delhi and all of Delhi city has apartments built on 500 square metres. You have very big builders who do 20, 30, 40 or 50 projects – I do not want to name any builder – worth hundreds and thousands of crores of rupees at one time, yet you are leaving them out of the ambit of the Real Estate Regulatory Authority Bill. Sir, if I was skeptical or if I was cynical, I would say that this Government has a nexus with those builders and that is why, they are leaving them out of the ambit of this Bill. I would urge the hon. Minister – I understand the concern of individual house-owners coming into the ambit of the Bill – that at least those people who are registered builders - and there are many whose net worth is over a thousand or two thousand crores of rupees – their projects should be brought under the ambit of this Bill so that at least they can be regulated. Otherwise, you will find that all of Delhi's construction, Delhi's apartment buildings would be left out.

15.03 hours (Shri Konakalla Narayana Rao *in the Chair*)

Sir, my second point on this issue is, and the Minister clarified that, the projects under development would be included. That is a bit strange. Please imagine a project which is sold 40 to 50 per cent already under the super area concept. Now, you are asking them to re-work the entire concept and sell it on carpet area basis. The issue of carpet area basis needs to be addressed and it is absolutely correct, but those projects which are already under construction and already underway, I think, to include them would create a lot of confusion. My suggestion to the hon. Minister would be to fix a date from whereon projects seeking application or projects seeking approval would be brought under the ambit of the authority. Let us be clear that the authority will take almost a year to be set up and to be implemented. The State Governments have also to enact it. So, it is not as simple as that. I think, the hon. Minister should clarify in his reply whether the date which he seeks is a date in the future or there is a cut off date which he has in his mind.

Now, I will come to my third and slightly technical aspect. I think that the intent of the hon. Minister and the Government is correct when they said that 70 per cent of the money given should be kept under an escrow account. It was 50 per cent earlier and it was amended to 70 per cent in the Rajya Sabha. The intent is absolutely correct because we find that the promoters take the money and buy other land and are not able to complete the project. This will ensure that the sector has only committed builders and that the rights of consumers are protected. But there are two issues in it. Sometimes, the price of land may be more than 30 per cent. So, money will be needed irrespective of the money kept into the escrow account because you have kept a certain amount for construction. Sometimes, the promoter can over-value the land itself and take out more money than he actually needs for the land. So, these are contentious issues.

My suggestion is that you look at it a little more carefully. You allow the promoter to put a certain percentage for construction separately and a certain percentage for land separately, so that the buyer and the Authority are aware as to how much money is going to go for what. As Legislators, we have to ensure that sufficient money is there for him to complete the project before he can start taking profits out.

I have two more points and I will take two more minutes to speak. In Section 2 (n) (iii), you have stated that : "the common basements, terraces, parks, play areas, open parking areas and common storage spaces;" will all be part of common areas, which have to be included in the cost of the apartments. But you have left out covered parking and basement parking. Does that mean that he is allowed to charge us extra for covered parking and basement parking? If that is the case, then the whole concept of one-price for one flat remains depleted. You have removed hundreds of extra charges, which come on as hidden costs to the apartment, but these two issues still remain and they can blackmail you. Can you imagine selling you a flat and then telling that you cannot get parking? They can charge you astronomical figures. So, some regulatory input should be there on that also.

The final point, which I have, is this. In Section 2 (n) (i) common areas mean : "the entire land for the real estate project or where the project is developed in phases and registration under this Act is sought for a phase the entire land for that phase;". The problem comes when the project is developed in phases. This is a case, which has happened in Gurgaon. A well-known builder and the building is called 'The Crest'. The Supreme Court has given a notification against it. The builder sought an FAR for 100 acres. Let us say that he got 1,75,000 sq. f. allocable space. He built on 50 acres. He was supposed to give the remaining 50 acres as common area to the owners. He did not do that. He went and got further increase in FAR and he has built further on the remaining 50 acres. This kind of a thing is happening. When the projects are done in phases what is going to happen is that people are going to take the common areas away from the genuine apartment owners and they are going to try and get a profit from it. I do not know how you will manage to subvert that, but a case is registered in the Supreme Court and the Patiala High Court has given a verdict against it. So, you may kindly take this into account.

At the end, I would like to say from my side and from my Party's side that we support this Bill but we seek further improvement on the Bill. I hope that this process, which is an ongoing process, will carry on. Thank you, Sir.

DR. SHRIKANT EKNATH SHINDE (KALYAN): Thank you, Chairman, Sir, for giving me an opportunity to talk on this important Bill.

Let me begin by thanking the Government on behalf of the entire nation for introducing the Real Estate Bill. It was much needed considering the fact that though the real estate sector is one of the most important sectors of our economy and though it provides direct and indirect employment to crores of people, yet it also remains one of the most unorganized sectors.

The real estate sector is the second-largest employer in the country. It is next to agriculture and it accounts for nine per cent of the GDP. The construction sector supports 250 ancillary industries. Therefore, it was really the need of the hour.

Nearly, 10 lakh buyers buy new houses every year across the nation. However, they were completely at the mercy of builders and developers. This Bill gives them hope as well as encourages the new buyers and even the foreign investors who wish to invest in the Indian realty sector but chose to stay away or were skeptical in the absence of any regulatory framework. It brings more credibility to the sector through more transparency as well as accountability. Making mandatory disclosures and registration may reduce black money transactions, thus empowering buyers with the information they need.

The most important step in this Bill is that the developer will have to put 70 per cent of the money received from the customers for a new project in a separate 'escrow' account so that the funds are not diverted to start a new project. This is a huge step to ensure that construction is completed within the stipulated time.

Earlier, in case a customer had any legal dispute, then he was stuck between the promoter, the developer and the seller. But that is not the case anymore, as proper customer protection framework will be implemented.

There are many provisions in the Bill which give comfort to the buyers against delay and fraud. It also takes care of the developer's interest. However, I would like to point out a few things that should have been a part of this Bill.

The Bill States that registration with the regulatory authority is required only for those projects where land is more than 500 square metres, or if the number of units is more than eight. I fail to understand the rationale behind this ceiling. One thing which is also not clear is whether such projects will be out of the ambit of this Act, or whether the home buyers in such projects will also be protected by this Act. I think there is ambiguity in this respect.

This clarity is important because it concerns the redevelopment projects as well. The Bill states that registration is not necessary for redevelopment projects. So, is this law applicable to such projects or not? It is because there have been a number of cases where redevelopment projects got delayed and the original occupants were left stranded with temporary tenements. There have been complaints against builders stopping payment of rents to these occupants after a while and they have nowhere to go. Therefore, the interest of these occupants must also be protected. So, I request the hon. Minister to throw some light on this aspect, in his reply.

Although the Bill focuses on developer's accountability, it should have also brought the civic and other related bodies that are responsible for giving permissions under its ambit. It will put onus of clearances or even rejections of plans on civic bodies, and the same can become faster. This would, or rather should lead to a provision of single-window and time-bound clearances as that can reduce overall approval time, helping home buyers with more supply and choices. This will also curtail the large scale corruption involved in the approval procedures. All of this will effectively impact property prices and that too in home buyers' favour.

The sector is on the verge of a structural shift from the current smoky environment to a more transparent environment and this needs to be

strengthened further by plugging the loopholes. The intention of boosting home buyers confidence and improving business environment for developers seems genuine this time, and a few more steps in the right direction will keep it that way.

The regulator must regulate all the four constituents, namely, the customer, the developer, the Government agencies and the lenders, if the Government really wants the *aam aadmi* to get the benefit of this regulation.

In the Bill, the obligation on the promoter to correct any structural defect without any charge is proposed to be only for two years. This is not a sufficient time frame and it should be extended to at least five years.

The Bill has put the onus of the conveyance deed entirely on the promoter or the developer of the project and the buyers have no say in the matter. There is no provision for the deemed conveyance if the promoter fails to execute the conveyance deed within the stipulated time. Ideally, there should be a provision for the deemed conveyance to protect the interest of home buyers with respect to the title. The Maharashtra Housing Act has this provision.

Thus the Bill brings in only a 'regulation' and not 'strangulation'. This Bill is not against anyone. The Real Estate Bill will revive investors' confidence and ensure timely completion of projects and create more opportunities. In this way it will help in achieving the target of 'Housing for All'.

I hope some of these concerns will be addressed satisfactorily. I once again thank you for the opportunity given to me to share my views on this Bill. I support the Bill.

SHRI M. MURLI MOHAN (RAJAHMUNDRY): Mr. Chairman, Sir, I thank you for giving me a chance to participate in the debate.

The real estate sector plays an important role in our Indian economy in terms of GDP. It is also the second largest employer in our country after agriculture. The Bill aims to regulate the real estate sector by bringing in transparency, accountability, credibility and by protecting the consumers' interest. The purpose of the Bill is to regulate the residential and commercial real estate sector and to establish State-wise Real Estate Regulation Authorities and Real Estate Tribunals to review the decisions of the RERAs in order to boost the overall consumer confidence in the sector.

While I fully support the need to protect the interests of the consumers, I express my reservation and just concerns with regard to some of the provisions contained in the Bill, which may adversely impact the progress of the real estate sector in its onward march.

The frequent complaint against the developers is the delay in execution of the projects. The delay in approvals is the single biggest factor behind the delay in execution. However, the proposed Regulator has no powers to ensure that regulatory and statutory approvals are given on time. There is no mention of any accountability of public authorities or institutions which provide approvals, especially in terms of timelines. There should be provisions for deemed approval clause as contained in the Hyderabad Municipal Corporation Act, 1955 as it is often observed that the public authorities tend to misuse their power despite written commitments and they do not provide the essential services for years. It affects the customer adversely as he pays higher cost because of project delays due to delay in approvals.

The provision of keeping 70 per cent of the amount deposited in a separate account for the prescribed real estate project is an impractical provision. Typically, land cost is a big chunk of the project cost which the developer incurs long before the project comes up for sale. Historically, the cost of raising capital for real estate developments has been enormously high. By denying the developer access to sale proceeds, this provision would not only adversely impact the speedy execution of projects, but would also squeeze the supply side of housing dwelling units, thus adversely affecting the customer.

The real estate activity is governed and controlled by so many State laws at present and the complaints of builders is that they are subjected to obtain a number of clearances for development of projects. They are required to approach various departments resulting in huge expenditure and causing abnormal delay on the part of the bureaucracy. The Act should not become one more layer of bureaucracy regulating the field and hence this Act should have an overriding effect on all other State laws except the laws regulating granting of permits and sanctions.

The authorities under the State laws having power to grant permits and sanctions for construction should also be brought within the control of the provisions of this Act so that any abnormal delays or violations committed by the permitting authorities shall be subject to appropriate action under this Act.

The proposed giving of retrospective effect to the present Act will not serve the purpose and on the other hand, will result in failure of entire machinery. In respect of the existing projects as on today, the permits were already granted, the agreements were already entered, and the construction is already in progress. Hence subjecting the pending projects to the provisions of this Act is not working either technically or statutorily. Hence, the present law shall be made applicable to only those projects to which permits and sanctions are to be accorded subsequent to enforcement of this Act.

The requirement of deposit of 70 per cent of sale proceeds into the escrow Bank account of the project will not yield good results and on the other hand the appropriate authority may create hurdles from time to time in disbursement of funds in exercise of various powers vested with him and which ultimately delays the project. Further, out of the total price to be collected for apartment, 60 per cent to 70 per cent of the same only represents the cost of undivided share of land and the balance is only towards construction cost. Hence, making the builder to deposit 70 per cent of the total amount will not allow the builder to recover the cost of land by a single stretch having invested huge amount for acquiring the land. Hence, such requirement of deposit can be brought down to fifty per cent.

I have had the first hand information about the difficulties faced by the developers in ensuring the completion of the project work in the scheduled time. Keeping this in view, I would appeal to the Government to give proper representation to the developers by nominating them in the National Real Estate Development Corporation and its State bodies in all the Appellate Authority Boards to represent the case effectively from the developers' side also both at the State and the Central level.

Similarly, my another submission to the Government would be that all ongoing and pending projects till date be exempted from the purview of this Act. In the interest of the real estate sector this Act should be implemented with effect from 1-4-2016.

With regard to the provisions to set up an independent institutional framework of the Real Estate Regulatory Authority and a Appellate Tribunal in this Bill, the Government should ensure that there is uniform access in the country in terms of Real Estate Regulatory Authorities, Appellate Tribunals and other functionaries. Honest and efficient persons and persons having impeccable character should be appointed for smooth functioning of the regulatory tribunals.

With these words, I support the Bill. Thank you.

DR. BOORA NARSAIAH GOUD (BHONGIR): Mr. Chairman, Sir, today I am going to speak on the *Ghar Ghar ki Kahani*. When I saw this Bill, I immediately remembered the movie called *Khosla Ka Ghosla*. People who have seen that movie would remember that a middleclass person who buys a plot had to face police, face land mafia, real estate agents to his *sapna* of having a *ghar*. Today I would like to congratulate hon. Minister Venkaiah Naiduji for bringing this Bill. I know that he is a magician of the words. But I would like to congratulate him with a few lines in Hindi. घर हर आदमी की मांग होता है, घर हर परिवार की पहचान होता है। यह बिल घर के सपने को हकीकत में बदलने में मदद करता है, ग्राहक को सहत देने का रास्ता दिखाता है।

Sir, the issues here are: (1) land, (2) competent authority, (3) developer, (4) customer, (5) finance, (6) market condition, and (7) litigations. This Bill effectively addresses most of the issues pertaining to the customer, addresses some of the issues pertaining to the developer, but does not address the issues pertaining to the most litigant in this entire complex gamut and that is the competent authority who most of the times is the reason for delay and escalation in the cost.

I would like suggest that as soon as this Bill was introduced in the RAjya Sabha I took the matter with our Chief Minister KCRji and told our hon. Minister the utility of this Bill. Within one day, our Chief Minister had called all the real estate developers and a meeting was held. And we have solved the main problem giving mandatory permission within 30 days and large permission shall be online only. That decision is being implemented now before we adopted it.

The second problem is with occupation certificates. After the entire thing is over most of the authorities delay the occupation certificate because of various causes. You know them, I do not have to deliberate. And our Government has taken a decision that within first 15 days of the application by the developer, it is mandatory to give the occupation certificate or else the competent authority will be fined Rs.500 per day on the officer till he gives the permission. So, I would request the Minister to include such clauses so that both the developer as also the buyer are equally responsible.

The second issue I would like to raise is Chapter 2, Clause v, grant of registration with regulatory authority with is granted 15 days. Rest of colleagues Murali Mohanji has talked about the apprehension of adding another authority for the list of the authorities which are there as stumbling blocks.

My request to the hon. Minister is that the registration with the regulatory authority should be an on-line process without a human interface. We have already got revenue authorities, municipal authorities, DTP authorities etc. The moment we are having a human interface, we are adding one more authority.

Secondly, for a building permission to be completed there is water supply, electricity supply, firefighting certificate and other certificates. I can tell you it is very painful. Many times, people have to go to so many officers, not to pay them to apply the rules, but to manage them. My request is that all these agencies whether it is water, electricity or firefighting or urban body, should be a part of it because the developer is going to charge huge amount from people for these things. So, the developer is the customer to the competent authority. The competent authorities should also be liable if they delay the project.

The next point is, there is a clause that the developer as a safety measure has to keep 70 per cent of the project cost with the local competent authority. What will happen if the land cost is 70 per cent of the entire project? I know there is a clause that there is discretion for the Government to have its own rules. My suggestion is that it should be subject to the local condition.

My next point is, we are now allowing the Real Estate Regulatory Authority and Appellate Tribunal. Who is going to bear the cost? That clarity is not there. I would like to know from the hon. Minister whether the Central Government is going to share some of the cost which is involved in applying these rules.

Lastly, there is rule of projects over 500 square metres. Sometimes, a clever and skilful developer may try to circumvent the real estate regulatory authorities. Kindly take care of it.

With these words, देर से आया मगर दुरुस्त आया, I wholeheartedly support the Bill.

DR. A. SAMPATH (ATTINGAL): Hon. Chairperson Sir, first of all, I may be permitted to support the Bill because this nation was longing for such a Bill for a long time. What happens in almost all the States is that people are queuing for a shelter whether it is an apartment, a flat, a two-bedroom house or whatever it may be. This is a nation where the largest numbers of families do not have a proper shelter at all, I mean a home. There are realtors- they call themselves developers and we call them real estate people. It has been in the media that most of the unaccounted money in the nation is having the roots in the real estate sector. I mean the illicit money – I am not terming it 'black money' because I am also black and I do not want to turn it into a racial discrimination between 'white' and 'black'. So, most of the illicit money is having its roots in the real estate sector. Last

week also, while the Upper House was discussing this Bill, this point was there.

With your permission, I may invite the attention of the hon. Minister that we need certain clarification in some of the clauses.

Clause 2 (c) of the Bill which has been circulated to us defines "allottee". It says:

"'allottee' in relation to a real estate project, means the person to whom a plot, apartment or buildings, as the case may be, has been allotted, sold "

Here, this definition of "allottee" may be improved. That is my humble submission and request to the Minister. I was a practising lawyer. I have also executed certain deeds for my clients. In any conveyance deed, both the vendor who agrees to sell and the purchaser who agrees to purchase have a legal role to play even though the sale has not been executed. Even though only the agreement to sell has been executed, they have a role to play. In the Bill there is no mention of a party called a 'person who agrees to purchase' or a party called 'a person who agrees to sell'. I definitely *bona fide* believe that there should be some more clarification and the definition should be altered to include that also.

Many of our learned friends have expressed that the Bill excludes a land area of 500 square metres and there is exclusion on the basis of the number of apartments it has. Large developers use, if not misuse certain local bodies' laws, certain municipal and certain corporation laws. In a small area, in a small land, they construct this type of small buildings. But the number of people who are the allottees and number of people who are occupying these apartments would be very high. Why should there be a discrepancy or a difference between 500 square metres and above 500 square metres? After all, it is an apartment; after all it is a homestead; after all it is a commercial building; and after all it is a land where they have done some development activity and people are going to occupy that.

I want to make another point. We all know that even though we say that Bharat or India is one, all are my brothers and sisters, what we experience here in India is that there is discrimination on the basis of caste, creed, religion, food habits, colour of the skin and place of birth. There has been that type of discrimination. Even in this House we have discussed the discrimination that has been shown to the people from the North-East in the very capital of this nation. This is my humble submission. There should not be any discrimination on the basis of any of these. That is what the Constitution says. We are all below the Constitution. We all bow our heads before the Constitution. So, if any of the realtors or any of the real estate developers are making any difference or showing any discrimination on the basis of caste, creed, religion, food habits, skin colour, race, etc., it is an unconstitutional act. That should be punished because it is an illegal act.

While starting, I said that I am supporting this Bill. We have been seeing that delays up to seven years or even ten years have been happening. The delay does not happen because of any of the acts or misdeeds on the part of the consumer; it is all on the part of the developers. I would like to invite your attention to the fact that when we were going to discuss this Bill, there were reports in the media that the industry welcomed the Bill with caution the grant of infrastructure status, etc. In this, the industry is very cautious but at the same time we have a responsibility in this House towards the people. ...(*Interruptions*)

We are for the people. We are elected by the people. I speak for the people. You are also Chairing this august House for the people. The Minister is also piloting this Bill for the people. So, the rights of the people should be preserved. I think, the Minister should add some more teeth to this Bill.

Thank you very much.

SHRI VARAPRASAD RAO VELAGAPALLI (TIRUPATI): I thank the Chair and my Leader Shri Jaganmohan Reddy for giving me this opportunity. In fact, the hon. Minister deserves great appreciation and everybody has been appreciating him. I also wholeheartedly appreciate him for bringing out a wonderful legislation.

It really protects the consumers, brings in the standardisation, professionalism and so many good things. It also reduces the frauds and the delays. The regulatory Authority will be statutory now. And, so many other good things have happened. But it is silent on certain issues. For example, I think it is silent if the promoter takes advance without registration and that needs to be addressed. Sometimes people take advances without even registering either for a plot or for an apartment.

All of us have been repeatedly telling that the discrepancy of the total area, number of apartments should be avoided in the sense that the present one only harms the small buyers. Therefore, the conditions of 12 apartments and above 500 sq.m. should be deleted. It requires balancing of the promoters as well as the interest of the buyers. We have a target of house for all by 2022. If you put more restrictions on the promoters, there is a scope that the construction growth may come down. So, that also needs to be properly addressed.

We suggest that more concessions may be given to affordable housing, like the tax holiday, less interest, etc. so that the middle class and the poor will also get benefited.

Sir, I have a very genuine doubt. Will the National Real Estate Development Council (NREDCO), presently working under the Urban and Housing Ministry, continue to function despite the formation of the regulatory authority because there is an overlap of the functions of both? Both literally attend to the same that is protection of the consumers from the ethical point of view. Therefore, the hon. Minister may see this aspect as well.

Already lots of flats have been delayed by more than eight years, particularly more than 3 lakh in the NCR itself. Is this aspect, which has been badly delayed, also being considered by this Act also needs to be addressed.

Sir, whether housing should also be given an infrastructure status, is a long-pending issue. Although, in the introductory remarks the hon. Minister has been telling what all has been given for infrastructure literally has been extended to housing also. But, I do not think so. As far as lending is concerned, definitely infrastructure gets a better deal when compared to housing. In most of the banks the exposure is extremely limited. Banks are not going beyond 5 per cent of the total lending money. If that being the case, there is a huge rush for that little 5 per cent of exposure and as a result the promoters have to pay very high interest rates to the bankers. Perhaps it is high time as many other countries have declared housing as infrastructure. This also needs to be addressed.

Sir, according to me the Bill is also silent on the repeated defaulters. If there is repeated default by the promoters how we are going to handle it. There are particular grades in the sense that there are very big promoters and very small promoters. So, this aspect also needs to be addressed.

Definitely, we need to define the carpet area. Initially the builders used to manipulate this carpet area. I am sure while framing the rules and regulations, after promulgating this, the aspect of carpet area also needs to be addressed.

One important point is, those who are working either in the Regulatory Authority or in the Appellate, either as the Heads or as Members, according to us they should not be allowed to reemploy in the private sector. If this aspect is not considered, there is a lot of scope to misuse it. Whatever projects have been built by the builders in the last five years should also be reflected in the website of the regulatory authority so that the buyer will have an opportunity to know the status of the builder.

As regards 50 per cent amount, I am of the strong opinion that this limit should be raised. More than restricting the deposit of the money, what is required is the monitoring of the withdrawals. It is equally important because even if there is a small loophole, we are extremely capable of misusing it. Therefore, more than the deposits, monitoring of withdrawals is required.

Lastly, the black money is the fountain head but it is really silent on that. This also needs to be addressed.

श्री जय प्रकाश नारायण यादव (बाँका) : सभापति महोदय, भू-सम्पदा (विनियमन और विकास) विधेयक, 2016 माननीय वैकेरिया नायडु जी द्वारा विचार और पारित करने के लिए सदन में प्रस्तुत किया गया है, इसके पक्ष में बोलने के लिए खड़ा हुआ हूँ।

महोदय, यह पुराना और लम्बित है जो कि आम आदमी के हित के लिए आया है। यह बिल आम आदमी और उपभोक्ता के हित के लिए है। घर सभी के पिय होता है। विडिया भी अपना एक घौसला चाहती है और इंसान भी अपना एक घर चाहता है, लेकिन शीयल एस्टेट में आम आदमी और उपभोक्ता का जो शोषण होता रहा है, वह किसी से छिपा नहीं है। बिल्डर एडवांस ले लेते हैं और कहते हैं कि हम प्लैट बनाकर देंगे। किसानों से गजरे के भाव जमीन ले लेते हैं, जिस प्रोजेक्ट के लिए जमीन ली जाती थी, वह प्रोजेक्ट लगाया ही नहीं जाता था और दूसरे प्रोजेक्ट्स को बनाने की चर्चा हो जाती थी, यहां तक कि विदेशों में उस पैसे का मिसयूज किया जाता था। किसानों को पूरी राशि नहीं दी जाती थी। आम आदमी प्लैट के लिए बैंकों से कर्ज लेता था। बिल्डर्स कहते थे कि उनके लिए बढ़िया प्लैट बनाएंगे, लेकिन बनाते नहीं थे। बुकिंग करवा लेते थे, पैंडिंग हो जाता था और स्थिति बदतर थी। जाली रजिस्ट्री होती थी, कागजात नहीं होते थे, इस तरह का गोरखाघंघा चल रहा था। इस तरह के सभी गोरखाघंघों पर रोक लगाने का बेहतर प्रबंधन और प्रयास इस बिल के माध्यम से किया गया है। यह अच्छी बात है और मैं मानता हूँ कि इससे निगरानी तंत्र को मजबूत किया गया है। इन सब चीजों पर न्याय के साथ निर्णय लिया गया है।

मैं अंत में यही कहना चाहता हूँ कि घर इंसान की सुख-सुविधा के लिए होता है। यह बिल गरीबों के सपोर्ट में है और हम इस बिल को सपोर्ट करते हैं। इस बिल में उपभोक्ता का ख्याल रखा गया है, जिसके लिए हम वैकेरिया नायडु जी को बधाई देते हैं।

श्री प्रेम सिंह चन्दमजरा (आनंदपुर साहिब) : सभापति महोदय, मैं इस बिल के सपोर्ट में बोलने के लिए खड़ा हुआ हूँ। मैं माननीय मंत्री जी को बधाई देता हूँ। जैसा कि कहा जाता है कि देर आए, दुस्त आए। बहुत समय से इस देश के लोगों को इस बिल की अपेक्षा थी। किसी भी मनुष्य की तीन जरूरतें होती हैं- कुल्ती, गुल्ती और जुल्ती। आज हमें इस बात पर अफसोस भी होता है कि आजादी के 68 साल बाद भी बहुत सारे लोगों के पास अपना घर नहीं है। पिछले वर्षों में देश में शीयल एस्टेट बिल्डर्स ने जो लूट मचायी, लोगों को लूटा, किसान को लूटा, हाउसहोल्डर्स को लूटा और उन सभी को डिव किया गया। उनके साथ धोखा किया गया। बहुत सारे लोगों को मकान बनाने का आश्वासन देकर उनसे पैसे ले लिये जाते थे, लेकिन मकान बनाया नहीं जाता था। इनमें ऐसे भी बहुत सारे बिल्डर्स हैं, जो रास्ते बेच दिया करते थे और यहां तक कि जो ग्रीन पार्क होते थे, वे लोग उन्हें भी बेच देते थे। इस बिल के आने के बाद ये सब चीजें रेगुलेट हो जाएंगी, नियमबद्ध हो जायेगा और मैं समझता हूँ कि जो आम लोगों की लूट है, वह उसे खत्म करेगा।

महोदय, मैं आपके माध्यम से माननीय मंत्री जी को यह भी कहना चाहता हूँ कि पिछले दिनों से ऐसी लूट से पैसा कमाकर जो ब्लैकमनी कहीं और ले जाया गया है, उसके लिए भी कोई कमीशन बिठाया जाए कि यह पैसा कहां गया। इसके अलावा जो 70 परसेंट बैंक में जमा करने की इसमें वलाज है, मैं समझता हूँ कि इससे ब्लैक मनी पर अंकुश लग सकेगा और इस बिल से लोगों की घर बनाने की अपेक्षाएं पूरी हो सकेंगी और मकान लेने वालों के साथ, हाउसहोल्डर्स के साथ जो अन्याय हो रहा था, वह रुक सकेगा।

अंत में मैं अपनी सरकार को इस बात के लिए बधाई देता हूँ कि वह एक महत्वपूर्ण बिल सदन में लाई। धन्यवाद।

SHRI E.T. MOHAMMAD BASHEER (PONNANI): Thank you, Sir. This is a very good piece of legislation and a much needed one. This Bill aimed to create a Real Estate Regulatory Authority at the State level. This Bill ensures registration and accountability of property promoters, buyers and agents. The Bill provides to maintain separate bank account and the entire amount must only be used for the construction of that project. This Bill provides to make all transactions transparent. Establishment of appellate tribunal is also there in this Bill. All these things are excellent as far as this Bill is concerned.

Here, I would like to highlight one problem. Various States have already made legislations in this regard. The State Government of Kerala may be the latest one. In Kerala, the Kerala Real Estate (Regulation and Development) Act, 2015 was passed in December, 2015 by replacing an Ordinance. The Real Estate Authority was constituted in 2015 in Kerala. The functioning of this State Regulatory Authority was done by the hon. Chief Minister of Kerala on 25th February, 2016. On the one hand State legislations are there and now the Central legislations are going to be made. I would like to know as to how the Government is going to address the contradiction, if any, in between the State legislation and the Central legislation.

The Bill provides that the States can continue to apply their laws in regulating real estate to the extent that these laws are not inconsistent with the Act. However, several States have enacted or are in the process of enacting laws that have provisions that are inconsistent with the Bill. How can the Government address this complicated issue? We would have to find out a workable formula in this regard.

Sir, there is one more problem. As per the Bill, 70 per cent of the amount, collected from the buyers, should be used only for the construction of the project. In some cases the project cost may be less than 70 per cent and in some cases the land cost may increase more than 30 per cent. In this situation, how can the Government find out a workable formula?

Sir, the escalation cost, arising out of delays in various Stages such as clearance of land titles, approval from revenue authorities and plan approval from local bodies, etc., is another problem. There are certain other problems like that which may also kindly be addressed.

As far as the regulatory body is concerned, I suggest that a representative of the local body may also be included in that. Need for bringing small projects under this Bill is an important thing. The same may kindly be examined.

The Standing Committee's recommendations are vital. According to the recommendation, the current Bill seeks to regulate only the residential real estate. The Bill should regulate commercial and industrial real estate as well. The exclusion of projects smaller than 1000 square metre or 12 apartments from the purview of the RERA could lead to exclusion of a large number of small housing projects. This limit should be lowered to 100 square metres and three apartments.

Now, I come to the issue of the registration of real estate agents. All the real estate agents should be required to register with this Authority and not just facilitating the sale of projects are covered by this Bill. Single window system should be introduced for clearance of various projects.

With regard to the definition of carpet area, the recommendations of the Standing Committee are so vital. All these points may kindly be addressed.

Anyhow, this is a much awaited legislation, and it is very good. I, once again, support this Bill.

Thank you.

श्री कौशलेन्द्र कुमार (नालंदा) : सभापति महोदय, सरकार का यह सकारात्मक कदम है। इस विधेयक के माध्यम से घर खरीदने वाले ग्राहकों के हित की रक्षा की बात कही गई है। यह बिल लाने के लिए मैं माननीय मंत्री जी का स्वागत करता हूँ। किंतु मेरा सरकार से निवेदन है कि विनियम और कानून पहले से भी हैं, अगर उसे सही तरीके से किर्यान्वयन नहीं किया जाएगा तो कानून कितना भी बना लें, इससे व्यक्ति को लाभ मिलना मुश्किल हो जाएगा। सरकार इस कानून के माध्यम से एक भू-संपदा विनियामक प्रधिकरण की स्थापना की बात कह रही है। यह भी व्यवस्था होगी कि कोई भी प्रोजेक्ट शुरू करने के तीन महीने के अंदर उस परियोजना का रजिस्ट्रेशन कराना अनिवार्य होगा। किंतु कमेटी की रिपोर्ट थी कि ग्राहक की 70 प्रतिशत लागत राशि बैंकों के अलग खाते में जमा होगी और उसी परियोजना पर उसका खर्च होगा, उसे घटा कर सरकार 50 प्रतिशत कर रही है। इसे स्पष्ट करना चाहिए क्योंकि यह ग्राहक के हित में नहीं है। एक अहम समस्या उपभोक्ताओं को समय पर न्याय दिलाने का है। यह पूरा इसलिए उठता है कि अभी तक ग्राहकों को न्याय पाने के लिए वर्षों लग जाते हैं, ग्राहक थक हार कर बिल्डर से समझौता कर लेता है।

महोदय, मैं इस ओर अवश्य ध्यान दिलाना चाहूंगा कि त्वरित न्याय कैसे मिले, इस प्रक्रिया में पारदर्शिता लाने की जरूरत है। दूसरी बात है कि सरकार कुछ विधेयक में सभी प्रकार के बिल्डरों को शामिल करने के लिए प्रवधान करना चाहिए क्योंकि आज महानगरों में छोटे-छोटे प्लॉट पर बहुमंजलीय इमारतें बना कर बिल्डर बेचते हैं। अगर इसे कानून में नहीं लिया जाएगा तो बड़ी संख्या में छोटे ग्राहक वर्ग अपने अधिकारों से वंचित रह जाएंगे। चाहे किसी भी तरह के बिल्डर हों, उसे सरकार इस कानून के अंतर्गत लाने का प्रवधान अवश्य करे। एक और बदलाव कमेटी की रिपोर्ट में किया गया है। वह भी उचित नहीं है। कमेटी का सुझाव था कि परियोजना में किसी भी प्रकार का बदलाव करने के लिए ग्राहकों की मंजूरी लेने की आवश्यकता होगी, किंतु अब उसे बदल कर मातृ सूचना देने का प्रवधान है। यह ग्राहक के हित में नहीं है। सरकार इस पर कठोर निर्णय ले। मेरा एक और सुझाव है कि बिल्डर के लिए यह अनिवार्य हो कि बड़-हाऊसिंग परियोजनाओं के साथ-साथ छोटे ग्राहकों को ध्यान में रखते हुए, उनके लिए छोटे ग्राहकों के लिए भी परियोजनाओं को लाना अनिवार्य हो, नहीं तो सिर्फ महानगरों में ही बिल्डर्स समिति रह जाएगी।

SHRI N.K. PREMACHANDRAN (KOLLAM): Hon.Chairperson, Sir, I rise to support the Real Estate (Regulation and Development) Bill, 2016.

I also take this opportunity to congratulate the hon. Minister for having admitted the fact that closer scrutiny of the Bill by the Standing Committee and the Select Committee would give fruitful results. One more fact, which has also been admitted by the hon. Minister, is that the demand of the Opposition in referring this Bill to the Standing Committee or the Select Committee is not the politics of obstruction but it is the politics of creativism. That is well proved in this Bill.

Sir, this Bill was introduced in the year 2013. It was referred to the Standing Committee and subsequently it was referred to the Select Committee, and detailed scrutiny of this Bill had been done. As a result of it, he could bring a very good and perfect legislation before the House. This is the actual legislative process which is to be followed in almost all the cases. Unfortunately, it was not done in other cases especially in the case of the Aadhaar Bill.

I am not going into the contents of the Aadhaar Bill, now. Last Friday, it was passed in a very hasty manner; and it is having very serious repercussions and ramifications in the society at large. You may kindly note that the Aadhaar Bill was not referred to the Standing Committee. It was not scrutinised by the Select Committee. Even the definition of 'what is a subsidy, what is a benefit, what is a concession' -- nothing has been elaborated in the Bill. Out of the 59 clauses in the Aadhaar Bill, the discretionary authority has been given to this Government on 23 clauses so that they can define, interpret and do whatever they like.

But in the case of the Real Estate (Regulation and Development) Bill, I definitely approve that such lacunae are not there, which were there in the Aadhaar Bill. It is a very perfect Bill. It is a customer-friendly legislation. Further transparency and accountability are being brought in.

As far as the fraudulent developers and promoters are concerned, they can be well controlled in this Bill. Why? It is because of the wisdom of

Rajya Sabha, wisdom of Lok Sabha, wisdom of Standing Committee and wisdom of Select Committee as a whole. So, we have to respect the wisdom of both the House and also the Members of Parliament.

Sir, when I support this Bill, I would like to make two-three suggestions. First is the green plan. As regards construction activities, we have to support and grow the real estate sector, I do admit. But when the construction takes place, there is rampant and continued destruction of land, trees and plants. My submission is that a considerable area should be earmarked for green plantation because the oxygen level is decreasing and the Greenhouses gases are increasing. So, a big catastrophic atmosphere is coming up. We have to take care of it.

My second point is about the emergency services. As per the present building and construction rules in the construction of the real estate properties, a very little is being given in the name of emergency provision. So, I would submit that a considerable space may be allotted for emergency services.

My last point is about the preservation and protection of cultivable lands. It should be taken care of by the hon. Minister.

With these few suggestions, once again, I appeal to the Government that the legislative process should be followed in true spirits, and I do appreciate and support this Bill.

Thank you very much.

SHRI PREM DAS RAI (SIKKIM): Hon. Chairperson, I rise to support this Bill and join my colleagues in thanking the Government, especially Shri Venkaiah Naiduji, for bringing in the Real Estate (Regulation and Development) Bill, 2016.

I just have three points to make. The first point is that this Bill, as everybody has noted, is something which is needed for the orderly growth of the real estate sector. It is also a Bill, which seeks to ensure that home buyers and the people, who are looking for homes, get a much needed symmetry in terms of their negotiations with the developers and those who make the housing estates.

Sir, I would just like to make a point here that in my home State of Sikkim, the real estate industry is at an incipient stage; it is just starting out. Therefore, I would like to thank the Government that in the very nature of this Bill, it seeks to see that there is Cooperative Federalism in its intent so that the Real Estate Regulatory Authority, in each State, can be made through the decisions of the State Government.

Sir, my State is a Himalayan State with many advantages as well as challenges different from the rest of India. With the historical context and special conditions of our State in view, the Constitution grants Sikkim a very special status through Article 371F, the sanctity of which must be protected for the welfare of the people of Sikkim. It is my hope that the autonomy of the State in this matter related to land and real State will be maintained to allow for the inclusion of special circumstances in each State, specially those in the Himalayan region.

16.00 hours

The last point that I would like to make is that even though the Bill says that it is for regulation as well as for development, development, I see, is under-played and especially, in relation to these standards that may be set for the way in which housing is built and the correct kind of standards are met. I do hope that these will be rectified in future.

With these words, I thank the Government for bringing this Bill and my Party supports the same.

श्री राजेश रंजन (मधेपुरा) : महोदय, मैं आदरणीय वैकेय्या जी द्वारा लाए गए बिल के पक्ष में बोलने के लिए खड़ा हुआ हूँ। कानून इस देश में 67 सालों से लागू है। एक व्यक्ति की जो भी परवेजिंग पॉवर होती है जब तक वह डिसेन्ट्रलाइज नहीं होगी तब तक कोई भी कानून या बिल सही तरीके से लागू नहीं होगा। एक कहावत है अर्थम् या अनर्थम् या यदिवान्ताम अर्थ हमेशा अनर्थ को जन्म देती है यदि उसका डिसेन्ट्रलाइजेशन नहीं होगा। सबसे बड़ी बात इस देश में अर्थ का डिसेन्ट्रलाइजेशन नहीं है इसके लिए कोई कानून नहीं है। यदि एक ही व्यक्ति के पास धन का संग्रह होगा तो दुनिया का कोई भी कानून खरीदा जा सकता है।

16.02 hours (Shri Hukum Singh in the Chair)

हम रिअल एस्टेट के बारे में आग्रह करना चाहते हैं। गांव-घर में कहावत है कि चोर के लिए ताला वया और वकील के लिए कवाला वया, चोर चोरी से जाए लेकिन तुमाफेरी से न जाए। आप कितना भी कानून लेकर आइए, जो पैसे वाले लोग या पूंजीपति वर्ग हैं वह किसी भी कीमत पर नहीं बख्शेंगे। यह गरीब का बिल नहीं है। यह बिल पैसा लेने वाले और पैसे देने वालों का है। यह बिल बहुत अच्छा है, यह प्रक्रिया को खोलता है।

दो-तीन बातों का आग्रह करूंगा। हिन्दुस्तान में 32 करोड़ लोगों के पास जमीन और घर नहीं है, 24 करोड़ लोगों के पास घर हैं जिसमें मात्र 12 करोड़ घर ऐसे हैं जिसमें न खिड़की है न किचनी है। यह बिल निश्चित रूप से रोजगार देता है। मेरा आग्रह है कानून की प्रक्रिया को लागू करने का तरीका सही हो। दूसरा, रिअल एस्टेट में जो काला धन लगा है उसकी इनवॉयसी हो, इसमें सबसे अत्यधिक कालाधन लगा हुआ है। यह काला धन पदाधिकारियों, बाबुओं और कुछ बड़े नेताओं का लगा हुआ है, उसकी इनवॉयसी आवश्यक है। जब तक बड़े नेताओं और बाबुओं की इनकवायसी नहीं होगी, इन्हीं लोगों के हाथों में सारी चीजें टी हुई हैं। सबसे बड़ी बात आप गांव में जाकर किसी से पूछेंगे कि आपका बेटा क्या करता है, तो वह कहेगा कि रिअल एस्टेट का धंधा करता है। दिल्ली में आप किसी से पूछें कि क्या करते हैं तो कहेगा कि रिअल एस्टेट का धंधा। आम आदमी के मन में यह झूठ-झांसे और फरेब का धंधा है और लोगों के मन में बैठा है कि यह असत्य बोलते हैं। यूपीए सरकार जो कानून लायी थी और आप जिस तरीके से संशोधित बिल लाए हैं उससे निश्चित रूप से रोजगार पाने वाले लोग और मीडिल क्लास के लोग जो घर खरीदेंगे उसके लिए आप बचाई के पात्र हैं, निश्चित रूप से यह सही है। जब तक कानून की मुकम्मल अधिसूचना जारी न हो जाए और सख्त नियम न बन जाए और सूबे में नियामक संस्था व ट्रिब्यूनल का गठन न हो जाए, योग्य और पर्याप्त कर्मचारियों की नियुक्ति न हो जाए तब तक जनता को लाभ नहीं पहुंचेगा। इसमें जनता की निगरानी कैसे हो यह आवश्यक है। रिअल एस्टेट के धंधे में क्या किसी एससी व एसटी या ओबीसी लोगों के लिए कोई ऐसा प्रावधान कर रहे हैं जिससे वह भी रोजगार या बिजनेस कर सके। रिअल एस्टेट में 40-50 औ आरक्षण देने जा रहे हैं। बाबा साहब अम्बेडकर और महात्मा फूले की भावना थी कि गरीब भी बिजनेस में जाए, यही मेरा आग्रह है। बहुत-बहुत धन्यवाद।

ADV. JOICE GEORGE (IDUKKI): Thank you Chairman Sir for letting me to speak on the Real Estate (Regulation and Development) Bill.

First of all, I wish to congratulate the hon. Minister for bringing this piece of legislation to curb the unfair trade practices in the real estate scenario. This is much needed and this is the need of the hour too.

The objective of this Bill is to regulate and develop the real estate in our country. I also join with the views expressed by my colleagues. I want only to make certain suggestions. This Bill is providing so many measures to regulate construction as well as selling of the real estate properties in our nation. A regulatory authority is meant to be established also. In that regulatory regime, the buildings having built up area upto 1000 square metres has been excluded from the purview of the regulatory authority. This should be brought down to 100 square metres. No harm is there, if we bring down the entire area to 100 square metres because the very purpose and purport of this enactment is to protect the buyers from their unfair trade practices. If we can bring down this exclusion area to 100 square metres, we can bring more people because the less privileged and the small buyers can be brought under the ambit of this Bill and thereby we can protect their interests too. The registration of real estate agencies is also very important.

Yet another issue is the carpet area. Of course, there is a clarity between the built up area and the carpet area but the carpet area is defined as the net usable area. The very word, 'net usable area' is not defined and much clarity is to be brought in, in this particular concept 'net usable area'.

Another issue, which I want to bring to the notice of the hon. Minister, is regarding the period of rectification of the structural defects. Two years period is fixed in the Bill. It should be increased to five years.

With these suggestions, I once again congratulate the Minister on bringing this piece of legislation, and I support the Bill. Thank you, Sir.

HON. CHAIRPERSON: Shri M. K. Raghavan – you take only two minutes.

SHRI M.K. RAGHAVAN (KOZHICODE): Sir, I would like to support this legislation and I congratulate the hon. Minister, Venkaiah Naidu Ji who presented this Bill in this august House.

At least, some of the real estate promoters in India have been accused of cheating the allottees, especially those from the economically weaker sections and mid-income groups. In this context, this Bill is very important. I wish to place on record the following issues about the Bill for the consideration of the Government while promulgating it as law.

Apart from the Regulatory Authority, Advisory Council and Appellate Tribunal, there should be a district level forum which will help small and mid-level allottees.

Second, the constitution of the Appellate Tribunal under Chapter VII should compulsorily have one Technical Member. Therefore, clause 45(2) should be amended and paragraph-45 (3) below paragraph-45 should be added to have one Technical Member also in the tribunal.

Third is about quality. The promoters should ensure that no sub-standard materials are used as against high quality materials. The promoters should be liable to pay compensation as outlined above in paragraph-6.

Regarding non-completion and compensation under Chapter-III, paragraph-18, the promoters should face stringent punishment if they are unable to give possession of the apartment/flat/building within the contractual period. The promoter should be blacklisted. The compensation should be at least 10 per cent over and above the housing loans of banks and financial institutions.

The fifth point is regarding proper garbage disposal and waste management within the project. People living in the housing complex should not be allowed to dump their waste and garbage on the road or nearby drain, canal or sewage. There should be a proper garbage disposal and waste management option within the housing complex.

HON. CHAIRPERSON: Please conclude.

SHRI M.K. RAGHAVAN : I will conclude now.

Floor or roof heights are decreasing day by day, and it eventually reaches to nine feet or even lower now-a-days in most of the housing constructions. Such kind of a low height is not healthy in terms of air circulation and other issues. There should be a minimum height of at least 12-13 feet.

My humble submission before this august House is that the proposed law must strike a balance so that it does not kill the investment in this sector but, at the same time, ensures that the growth of the sector should not be at the cost of the consumer.

With these words, I conclude. Thank you.

SHRIMATI POONAMBEN MAADAM (JAMNAGAR): Thank you, Chairman, Sir, for giving me this opportunity to speak on this very important Bill.

Sir, this Bill is important because it is aimed at regulating a sector, which has a maximum growth potential, which is the second largest employment

giver in the country and which contributes about 9 per cent to our GDP.

First of all, I would like to congratulate our hon. Minister for bringing in this Bill, which, as other Members also said, was long over due and finally putting a regulatory mechanism in place to monitor and develop the real estate sector.

Sir, as the other hon. Members said, I would repeat the same - हर इंसान का सपना होता है कि परिवार के लोगों को घर देना। But, somewhere the way this sector was going, this dream became a far fetched dream for a lot of people of our country.

This sector although has a lot of potential and has been growing very fast, somewhere, of late, in the last few years, it ended up becoming very volatile and this volatility stopped many genuine buyers from investing in a home of their own. On the one hand there was volatility somewhere in this sector and on the other hand there was mistrust between both the developers and the buyers. There was a fear in the buyers कि कहीं उनके पूरे जीवन की पूंजी जिसे वह मेहनत से कमाकर खर्च करते हैं, if they invest it in a house, whether it will go waste; whether they will not get timely deliverance of their own house; or whether the quality would not match up with what has been promised.

The hon. Minister said it rightly that this Bill will actually implement through the regulatory authority what has been promised in the agreement to sale entered between the buyer and the developer. Whatever they promise, whatever they commit, they will owe it to each other to meet up those promises.

HON. CHAIRPERSON: Please conclude now.

SHRIMATI POONAMBEN MAADAM: Sir, I have just spoken for a minute only. I will conclude in about two minutes. Sir, I am the only lady, I think, who has spoken on this Bill. So, I request that I should get some special privilege.

I think this volatility – a lot of hon. Members have voiced this concern – was due to absent of any legal mechanism in place. The consumer would go to consumer forums and civil courts. But that was again a never ending process. Then, of course, the developer had an option of going to higher courts or higher bodies in the form of an appeal.

HON. CHAIRPERSON: No doubt, you are speaking very well, but there is a limit of time. Please conclude.

SHRIMATI POONAMBEN MAADAM: This Bill, as the Members referred to, went to the Parliamentary Committee, went to the Select Committee and was discussed in detail in Rajya Sabha. A lot of deliberations and consultations have been done before bringing in the Bill here. So, this Bill will ensure that the trust, the goodwill, which was missing in this sector, will be brought in again through this Bill.

Somewhere a strong mechanism will be put in place.

HON. CHAIRPERSON: Now, I call the last speaker.

SHRIMATI POONAMBEN MAADAM: Sir, I will just give one or two suggestions and conclude.

I would request the hon. Minister to give some relief to the existing projects. I would also request him to reduce the approval time for developers required in different phases of project. I think, maximum developers should be included in the ambit of this Bill.

Sir, I support the Bill. I think, this Bill will go a long way. आम इंसान के जीवन में जो आधार होता है, उसका सपोर्ट सिस्टम सरकार होती है और आम इंसान यह सोचता है कि लेजिस्लेशन के माध्यम से इम्प्लीमेंटेशन के माध्यम से उनकी सरकार उनकी सुरक्षा हर क्षेत्र में करेगी, including the financial investment in this sector. I think, this Bill will go a long way in doing so. So, I congratulate our hon. Prime Minister and our Urban Development Minister for bringing in a very detailed, a very well thought of and a very pro-consumer Bill.

Thank you so much.

HON. CHAIRPERSON: The last speaker is Shri Rahul Shewale. You may speak for only one minute.

SHRI RAHUL SHEWALE (MUMBAI SOUTH CENTRAL): Sir, I thank you for allowing me to speak on the Real Estate (Regulation and Development) Bill, 2016 which was passed by Rajya Sabha in the last week. I would like to suggest some points which I hope would be considered by the Government before passing this Bill.

I come from Mumbai and the real estate has been functioning in Mumbai widely and a large population is affected by this trade. My main suggestion is that real estate may be considered as an industry by the Government and it may be given the status of an industry. The logic behind my request to declare real estate as an industry is that the real estate contributes 6.3 per cent of Indian GDP and is also responsible for maximum revenue generation of premiums and funds. Also, as of today, the real estate industry attracts income tax, stamp duty etc.

HON. CHAIRPERSON: Now, please conclude. Your time is over. You wanted to put only one question.

SHRI RAHUL SHEWALE: Let me give only last suggestion.

The Real Estate Regulatory Authority has, however, not been put at par with other authorities, such as TRAI and other such authorities. While RERA will only regulate developers, it should also be an authority which can grant approvals for projects and monitor compliance. At present, a developer needs the approval of the municipal corporation of the city and other government authorities in various States. In Mumbai, it is required from BARC, RCF and NPC. In many cases, even an approval of the Environment Authority is required. This causes a great deal of uncertainty and takes a very long time and adds, therefore, to the cost of the project, thereby making it very difficult for housing to be affordable.

HON. CHAIRPERSON: Now, hon. Minister may speak.

SHRI RAHUL SHEWALE: In Mumbai, there are several buildings having a height of around 200 metres. Civil Aviation has granted permission in the

past to these buildings, but now the same Civil Aviation has put a ban on constructing high-rise buildings above 85 metres. One cannot understand that when the existing buildings having a height of around 200 metres are not creating any obstruction to the civil aviation, why this ban is being imposed now on new construction.

HON. CHAIRPERSON: Hon. Minister, Sir.

THE MINISTER OF URBAN DEVELOPMENT, MINISTER OF HOUSING AND URBAN POVERTY ALLEVIATION AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI M. VENKAIAH NAIDU): Mr. Chairman, Sir, 21 hon. Members have spoken on this important Bill. I am thankful to all of them. Except one hon. Member, everybody has supported the Bill. That one hon. Member also, I hope, after seeing the general consensus in the House, will join us in passing this historic Bill.

He had a point. The AIADMK hon. Member, Shri Marutharajaa made out a point that Parliament has no jurisdiction to pass this Bill. Initially, I had touched on that point, but I will just explain in one line. The Bill is meant only for contract and transfer of title. The land and other related issues are left to the local bodies. Once he gets permission for all this, this is about a contract between two - the builder and the consumer. The second thing is transfer. Then only, this will come into operation.

कानून मंत्रालय को भी इसे रेफर किया है, उन्होंने कहा कि संसद को अधिकार है और बाद में अटार्नी जनरल महोदय के पास भेजा। उन्होंने इसका गंभीरता से अध्ययन करने के बाद कहा कि यह पार्लियामेंट का ज्यूरिस्डिक्शन है, So, the Law Department as well as the Attorney General have opined that the Parliament has jurisdiction because it is a concurrent subject. So, keeping that in mind only we brought this Bill. The earlier Government brought the Bill in 2013. As I told earlier, it was referred to the Standing Committee. This Government came and it brought a revised Bill. Thereafter, it was referred to the Select Committee and in the Select Committee also there was a broad consensus that this Bill is the need of the hour. Hence, this Bill has been brought in.

Shri K.C. Venugopal, Shri Prahlad Singh Patel, Shri R.P. Marutharajaa, Prof. Saugata Roy, Shri Kalikesh N. Singh Deo, Dr. Shrikant Eknath Shinde, Shri M. Murlu Mohan, Dr. Boora Narsaiah Goud, Dr. A. Sampath, Shri Varaprasad Rao Velagapalli, Shri Jai Prakash Narayan Yadav, Shri Prem Singh Chandumajra, Shri E.T. Mohammad Basheer, Shri Kaushalendra Kumar, Shri N.K. Premachandran, Shri Prem Das Rai, Shri Rajesh Ranjan - my friend, Shri Pappu Yadav; Adv. Joice George, Shri M.K. Raghavan, Shri Rahul Shewale and Shrimati Poonamben Maadam. ...(*Interruptions*)

SHRI MALLIKARJUN KHARGE (GULBARGA): Is he only your friend and nobody else? ...(*Interruptions*)

SHRI M.K. RAGHAVAN (KOZHICODE): We are also your friends. ...(*Interruptions*)

SHRI M. VENKAIAH NAIDU : Okay, Raghavan ji, thank you. I have a little special liking for Shri Pappu Yadav because I think that after his wife I am the next man to like him.

All these people have expressed their views and they were all ...(*Interruptions*)

Yes, Shri P.P. Chaudhary could not express his views in the House. So, he has expressed it in my ears. So, I am also thankful to him.

SHRI MALLIKARJUN KHARGE: He is a permanent lawyer.

SHRI M. VENKAIAH NAIDU : Shri Chaudhary is a good lawyer. He is a lawyer with knowledge.

Chairman, Sir, I have also received a note in the form of a letter from Dr. Kirit Somaiya, Shri Anil Shirole, Shri Sanjay Dhotre, Shri Adhalrao Patil Shivajirao, Shri Arvind Sawant, Shri Gopal Shetty and other friends from Maharashtra expressing some concerns that have to be taken care while dealing with this Bill. I am thankful to all of them.

हरेक का अपने जीवन में स्वप्न होता है और उस स्वप्न को साकार करने का प्रधानमंत्री जी ने प्रयास किया है और इस दिशा में हम आगे बढ़ रहे हैं। सपनों को साकार करना और सपनों को आकार देना, उस आकार का निर्माण करने के लिए मैं एक प्रयास कर रहा हूँ। इसके लिए आपका जो सहयोग मिल रहा है, उसके लिए मैं सबको धन्यवाद भी देना चाहता हूँ। It is because it is everybody's dream.

When I was moving out of my village on a formal basis, earlier I was moving out of my village to study, go to school, go to college and then University I used to move out of my village. But when I was moving out to Nellore along with my family I really was worried as to what type of house I will have in Nellore because we villagers are used to live in little bigger area. The house may be small, but area is big and it used to be good. So, I had a fear as to what type of house I can have in Nellore. Later, we took a loan also from the House Building Society in those days. So, I can understand and recall that anxiety in my mind.

Today also, millions across the country have the same anxiety because new aspirations have come in and the new generation has come in. So, everybody is concerned about having their own house be it an apartment, be it a villa or an independent bungalow or even a farmhouse in whatever manner whoever can afford it. But the question is about the genuineness, the promptness and the timeliness of the house delivery. This is the major concern of the people. Keeping that in mind, as I said earlier, the earlier Government has brought a Bill in 2013. But in 2011 itself the debate was started, and from 2011 to 2016, for five full years the country was debating this issue. The media was also debating this issue. Political parties were also debating this issue. At the end, the Government led by Shri Narendra Modi, has brought this Bill. Fortunately, the Rajya Sabha has approved it and then the Lok Sabha is going to approve this today. It will be a historic moment in the history of the country because we are fulfilling the aspirations of the people by giving them the needed protection and also by giving credibility to the realty sector. That is why I call this as a very, very important Bill.

Mr. Chairman, Sir, certain people have expressed certain concerns, for example, what will happen to the State legislation. The Central legislation overrides the State legislation. Let me clarify it in one line. That is the constitutional position. ...(*Interruptions*)

आप हेड-फोन निकाल दीजिए, उसके कारण आप इतना जोर से बोल रहे हैं। Sometimes, the mike misleads us and we do not know how much noise we are making.

Please take care of that. It happened with me also. I was talking to my neighbour wearing the microphone. I did not know that I was speaking in a louder voice. Afterwards only, I came to know of it. I always advise the Members that when they are talking, they should remove their microphones. If they are hearing, they can use it.

Shri Venugopal said that the Bill is a baby of the Congress Party. Yes, it is their baby which was left out; now, I am taking care of it. Secondly, he also mentioned about 70 per cent of the money being deposited in a separate account.

SHRI MALLIKARJUN KHARGE: Leaving is different, and adoption is different.

SHRI M. VENKAIAH NAIDU: He also raised the issue about confining it to 500 square metres and eight apartments. ...(*Interruptions*)

SHRI MALLIKARJUN KHARGE: Do not behave like a step-mother!

SHRI M. VENKAIAH NAIDU: There is no question at all. We have our own mother. Why should we be a step-mother? We consider India as our mother. हम तो गर्व से "भारत माता की जय हो" कहते हैं, लेकिन कुछ लोगों को इस बारे में भी आपत्ति है; मैं उनके बारे में क्या कहूँ, वे अभी नहीं हैं।

Sir, a point made was why we should confine it to 500 square metres and eight apartments and why we should not reduce it down. This point has been answered by some of the Members. You cannot regulate each and every house as it will become a little difficult. By experience we will learn further and then we can think about it. Moreover, I have left it to the discretion of the States, depending on the local situation. As some people rightly said, the land cost in certain areas is very high; in certain areas, comparatively, it is less; in the rural areas, it is less, and in the urban areas, particularly in some areas, it is very high. So, I have given that option to the States to make legislation. I may politely remind the hon. Members, initially, when the Bill came in 2011, it was 4,000 square metres and the number of apartments was not notified. From 4,000 square metres, we have brought it down to 500 square metres. It is a major improvement over the earlier proposal, which must be kept in mind.

Secondly, I have already clarified the point with regard to Central law and State law. As per clause 2 (a), the rate of interest payable by consumer and payable by builder varies. He said that in respect of some people, it is two per cent; in some other cases, it is 16 per cent to 18 per cent. It is not correct. As per clause 2 (a), the rate of interest payable by either party will be the same. If the consumer pays a particular rate of interest, then the builder also pays the same rate of interest. So, there is no discrimination whatsoever. I am the last man to put more burden on the consumer and less burden on the builder. We will never do it also. Let me be clear about that.

With regard to the definition of 'allottee' in clause 2 (d), it is very exhaustive. He also said that the Congress Party is a Party that wants a speedy clearance of the Bill. I am happy that they realised it. I should really acknowledge it. They have not only said it here; they have said it outside also. The State Congress President of Delhi, Shri Ajay Maken, former Minister, has written to me because this Bill has a little history. I should take the House into confidence about this Bill. The Real Estate Bill was introduced in Rajya Sabha on 14th August 2013, and the Bill was referred to the Standing Committee on 23rd September 2013. The Report of the Standing Committee was tabled in Rajya Sabha on 13th February, 2014. It was tabled in Lok Sabha on 17th February, 2014; 39 recommendations were made by the Standing Committee of which 23 were accepted; official amendments based on Standing Committee's Report and stakeholders' consultation were approved by the Union Cabinet, that is, our Government, on 7th April, 2015. Then the 2013 Bill along with the official amendments was referred to the Select Committee of the Rajya Sabha on 9th May. The Select Committee submitted its Report on 30th July. As far as this Government is concerned, we have brought this to the notice of the House for consideration and passing on 15th February with three official amendments also. Subsequently, I have given notice on 4th of this month, then 7th, then 8th, then 9th and at the end of the day, I could get it listed in Rajya Sabha on 10th. I am happy to inform that it was approved. So, there is no question of any delay on our side. Moreover, we have tried to hasten the process after wider consultation.

As I have said, the Real Estate Regulatory Authority is only for regulation and not for strangulation. We are not against the builders. We want builders also to be partners to build strong and stable India. I am willing to discuss with the builders, if they have any problem. I have no hesitation in meeting them in day time also. I can hold discussion with the builders. Some people feel shy. Some people have some reservations about businessmen meeting in day time. We have no problem. We are in the business of public service. We can meet them during day time also and during evening time also. There is no problem on that count. Why I am saying this is that builders also are integral part of the nation's development. We have to hear their views. Some Members of Parliament who have some knowledge about the industry also spoke. I do not want to find fault with them. The rule says that if you have any interest, you should declare it before you speak in the House. But I do not want to invoke that rule. I want as many people as possible to speak so that the others' points of view also come before the House so that we can take a corrective view. Whatever difficulties they are going to face, those difficulties also will be addressed by me.

A concern was expressed by the hon. Member from Maharashtra *vis-à-vis* their legislation and also on other issues. I am assuring them that we will consider them during the making of the rules. That will be taken care of. I am very clear on this.

With regard to the impact of this on property prices, some people are saying that with this Bill, property prices will go up. I do not agree. I would say that we would get more investment; we would get early clearances and the property prices would come down.

My senior friend Prof. Saugata Roy has said that so many constructed houses are lying vacant and all. Prof. Saugata da, I come from that part of the country – South India. Any day, I see the newspapers, the front page is not of news but of colourful advertisement, beautiful advertisement about launching a new housing project. Shri Kharge ji knows it better. In Bengaluru, the front page advertisement means, how much costly it is. The advertisement is colourful, costly and beautiful. But I want to make the 'beautiful' to be 'dutiful'. They have to do their duty. The very purpose of this Bill is that I am not going to interfere at all. The Parliament is not interested in interfering in their activity. What they are committing, what they are promising, they must fulfil it. That is the only purpose of this Bill. What you are promising through an advertisement, what you are promising through announcement of your project, please fulfil that. That is the purpose of this Real Estate Bill and nothing more than that. That being the case, I do not think anybody should have any apprehension at all.

With regard to the imprisonment clause, I had explained it in the morning. Shri Khargeji said that I should leave something for the reply. I have covered most of the points so that there is clarity and I get wider support. The imprisonment clause is there in various regulatory authorities including the Reserve Bank Act, Electricity Act and so on. In this, I am giving the minimum punishment because I have a vested interest. The vested interest is of Housing for All by 2022. I know it is not possible for the Central Government or the State Governments alone. Here, I have done my duty. Now, the States have to do their duties. In this connection, I would like to compliment the Chief Minister of Telangana. I want to put it on record also.

The moment I mentioned this, this discussion started and the issue came there in Telangana, he made it very clear that the permission has to be given within 30 days. And he said, after 15 days, the officers who are responsible for this will be taken care of. *...(Interruptions)* He did not use the word punishment. He has used a local word. And the Andhra Pradesh Government has also followed it up. Some of the other States also are thinking. I am going to write to all the Chief Ministers in this regard. We cannot enforce one-sided things. On the one side you are saying conclude timely, implement what you have promised; and on the other side you are holding up things for six months, nine months, one year, and two years also in some cases. That is the responsibility of the respective State Governments here. Through this House I seek the cooperation of all States. Please take interest and see to it, I mentioned the Kerala example in the morning, that all the approvals are given within 30 days.

At the end of the day, land is still a State subject and urban local body is the body to give permission for area of construction, FSI and other easing of regulations, stamp duty, etc. Everything is with them. What is with the Centre? Environment, defence connected issues, BIS, model building laws, Culture Ministry connected issues, etc. We are going to take all that. We have already taken care. I told you, six Ministers sat together seven times and we are taking care and they would be announced in a week or two and they will be implemented. From States' side I seek cooperation because this law will be really meaningful if the States come forward and then make those regulations and put the responsibility on the officers concerned. There a lot of delay takes place. I am not trying to shift the responsibility from the Central Government to the State Governments. You cannot expect a Minister sitting in Delhi to take care of Coimbatore Municipality or my own municipality. And the 73rd and 74th Amendments also prohibit you from interfering in local bodies. At the same time, I have told you that I have found out a method of incentives and disincentives through which we are trying to encourage the States.

If States take interest, you can do wonders. I have seen certain examples like slum clearance in Tamil Nadu. Earlier also I mentioned the initiatives taken by the present Chief Minister Madam Jayalalithaaji. *...(Interruptions)* I have no problem. I have respect for her and I have liking also for her. I am frank on that. Whoever does something good, whichever party, deserves mention. I am going to fight AIADMK in the coming elections. I am going campaign also shortly in Tamil Nadu because it is my neighbouring State. At the same time, the work done in a particular sector, subsequently followed up even by Dr. Karunanidhi also, needs to be mentioned. This slum clearance is a model as far as Tamil Nadu is concerned because they have taken steps. Similarly I am requesting all the States to please take a proactive role and see that these clearances are given at the earliest so that there is no heartburn or there is no grouse for the developers also. This is a very important thing and that is why I am saying this.

Raghavanji said that States should be given powers to appoint more authorities. There should not be dual authorities. At the same time, certain powers are delegated to the States. What Raghavanji said is provided in clause 20 in the second proviso. Then coming to Joyce George, he said that the threshold should be reduced. I have already responded to that. Then there is the point of structural defects. The time limit earlier was two years. Now the responsibility of rectification of structural defects lies with the builder, promoter, developer for a period of five years. So, that has been taken care of. It was said that the carpet area does not define net usable area. Article 2 (k) provides for an exhaustive definition for carpet area. Clause 4(2) provides that the promoter shall disclose the following at the time of making an application for registration of the project with the regulatory authority, the number, type and the carpet area of the apartments for sale in the project along with the area of the exclusive balcony or verandah areas and exclusively open terrace areas abutted with the apartment if any.

For existing projects, a window of three months from the date of notification has been given under Clause 3 for making an application to the authority and to disclose the same. A future disclosure of the carpet area would not affect the past sales. This was another worry expressed by many Members as to what will happen to part sales. I cannot give it retrospective effect; I can only make it prospective. While making it prospective, I am aware of the fact that there are thousands of projects going on. So, I have to take care of those consumers also. Keeping that in mind, we have asked for this provision. Future disclosure of carpet area would not affect the past sales under the existing or on-going projects. The limited requirement is to disclose the size in terms of carpet area of the apartment. This has to be understood.

Coming to the other issue raised by Shri Marutharajaa, I have answered in the beginning itself because he raised a fundamental issue as to why a Government body should be within the purview of the Act. There should be uniformity in governance. You cannot exclude Government bodies so that if the Government does something wrong, nobody can ask. King can do no wrong, that was past. Now everybody is liable to be questioned. Whether it is king or queen, questions will be raised and they have to be answered. There should be uniformity in governance irrespective of public sector or private sector in support of the houses. So, Government bodies should also be brought within the purview of the Act.

The Government bodies are collecting money and they are not constructing houses in time. There are houses constructed which are not occupied. In Delhi, 22,000 houses were completed. For the last two years, I have been making all the efforts to see people occupy them, but they have not occupied. In Hyderabad, under Rajiv Awas Yojana, houses are constructed but people are not willing to go because there are no *pucca* roads, no water and no other facilities. So, all these things have to be kept in mind while planning. Simply because you are in the Government, you cannot be out of this regulation. That is why we have also included them. That is my humble response to Shri Marutharajaa's point.

Shri Prahlad Patel said that there are a lot of vacant houses across the cities. This Bill will reinforce the trust and promote sales. Prahladji, I can assure you that the day this Act is notified, there will be a boom in the real estate sector and people will purchase houses with more confidence. Private people will come and invest more. Foreign investors are also looking for safe investment. They have money, we have the opportunities and here is the regulation so that the people may feel confident. Otherwise, if you don't give confidence, people will not come and invest. I can assure you that this point is taken care of. He also said it about the States and I have taken care of that also.

With regard to the Government formulating a National Urban Rental Housing Policy, the Government is in the process of developing this policy and a

model tenancy law which will encourage house owners to let out vacant houses on rent. There is a problem and the entire House and the political spectrum should ponder over this. People are not willing to invest in real estate sector even if they have surplus money because they are worried. The moment you lease it, you have to forget and it will be leased, sub-leased and then further leased. The owner is worried and other people are enjoying. They are more in numbers. The owners are less in numbers and the tenants are more in numbers. We in democracy go by numbers. That is a weakness in our system. Keeping that in mind, I am trying to come out with a policy on model tenancy law. This is very difficult and very challenging.

This real estate thing also is very challenging. I cannot explain in words how many pulls and how many 'recommendations' are there. I don't call it as 'pressures'. In democracy, everything is a pleasure, not pressure. But people were trying to bring a lot of these things and there was certainty. Why are people rejoicing in a law? The moment it is there, it will be done. But people are sceptical. Even today, some of the consumers had an agitation and a group has been formed for passage of Real Estate Bill. It is because they are sceptical that vested interests will thwart the Bill. So, the Government has shown its commitment, its calibre and Shri Narendra Modi is the last man to get pressurized. So, I am happy that our friends from the other side, from all sides are supporting us. I hope similar support will come to us as far as the model tenancy law is concerned. It is difficult but it is not impossible. We will also work on that in the coming days.

Coming to Prof. Saugata Roy, I have briefly touched the points he has made. The Bill cuts across all sections; the middle income group consumers have been facing problems and harassment. This Bill has been hailed by the consumers as landmark legislation. The concerns of the middle income group are well taken care of in this Bill.

With regard to the points raised by Shri Kalikesh Narayan Singh Deo about the threshold I have already responded saying the States can do it. I have brought it down from 4,000 to 500. All the projects that have not received completion certificate, when clause 3 is notified will come within the Bill and have to register within three months. That is very clear. Open parking is part of the common areas because we know people sell flat separately and car parking separately. So, 'garage' is defined in clause 2 (i) as a closed parking. So, that is also covered. On land cost and construction cost, there is clarity. The land cost will be based on some documents and can be established. Overall management will be possible within this 70 per cent. There are practical problems. Some people give advance but do not insist on voucher. What can you and I do?

Phase-wise registration, clause 3 explains, is also provided. Phase-wise project is a major issue raised by some people. They have tried to deceive us by taking up Phase-I, Phase-II, Phase-III and so on. A project could be declared and executed in phases but for every phase these provisions will apply; 70 per cent amount is the criteria applicable for each phase separately.

Dr. Shrikant Eknath Shinde said re-development projects which involve marketing new allotment are not covered. In clause 2 (c), there is clarity about that. Liability for defects has been now extended to five years. The Bill provides for five years' liability. Under clause 14 (2), there is five years' liability for structural defects, not for other defects.

Shri Murlu Mohan from TDP said that there is no provision for deemed approval. I have said that this is within the purview of the local bodies. The local bodies are given proper guidance from the Centre. That will impact the cost of the capital. We come into picture after all those approvals are given; then only you have to register with the regulator. Therefore, there is no question of borrowing cost going up.

It has been said that the Bill should provide for overriding powers. The Bill will apply uniformly across the country. On 70 per cent separate account, he said there were some difficulties but it is not impossible. In everything there is some difficulty but we have to address those problems. Our ultimate aim is to serve the consumers who are our masters. The need is to ensure timely completion of projects. It is not required to take permission for withdrawal. You are withdrawing and showing the expenditure; that is all. You need not take anybody's permission. There is no question of harassment on that count.

Coming to Dr. Sampath, the friend from Kerala, the definition of 'allottee' is very exhaustive. I have already explained it. The Law Minister has also vetted it. Discrimination is another issue. It was made out earlier also. Some people have given amendments also. Discrimination is taken care by the Constitution. Article 15 of the Constitution is very clear that you cannot discriminate on the basis of caste, creed, sex, religion or region. Still, there are some practices in certain areas with regard to letting the house on rent to vegetarians, non-vegetarians and all but they are mutually agreed upon. They are not a part of this. Secondly, the day will come when people have to cross even beyond that and make it open to all. The Constitution is already taking care of it. That is why I have not made any separate mention about this.

Article 15 of the Constitution protects against discrimination. The other points which he has mentioned have already been addressed.

Dr. Boora Narsaiah Goud supported the Bill but said that permission by the local authority should be time-bound. He himself has said about the initiative taken by the hon. Chief Minister of Telangana. I commended the Chief Minister as also all the States. Andhra Pradesh followed it up also. Other States are also doing it. So, the States have to make a detailed order on time-line. That is an important thing. From my side I have finalised the Model Building Bye Laws which will be helping in time-bound clearance. This has to be followed by the States.

Shri Varaprasad Rao from Tirupati, my village falls in his constituency, said that promoters cannot sell without registration of the project to the authority. Yes, he cannot sell without registration. The very purpose of insisting on registration is to make accountability as a fact. Obviously, advance cannot be taken without selling to the prospective buyer. I appeal to all the home buyers across the country not to give any advance because if you give advance and do not insist on receipt you cannot enforce it tomorrow. So, keep that in mind. I have already explained about the carpet area. Re-employment in private sector is not allowed. It is for them to employ or not. After retirement as Members of the Authority there are provisions in the Act with regard to reemployment. Normally, it is not encouraged because there are suitable people available. NREDCO is not a part of the Government. It is an organisation working for the welfare of the developers. It is not a statutory body also. Hence, the question of statutory body, as proposed in the Bill, overriding NREDCO does not arise. I would like to make it very clear. We will take their suggestions because it is an organised body.

Another friend, Shri Jai Prakash Narayan supported the Bill. He made general observations. Prem Singh Chandumajra Ji also extended support to the Bill. Shri Kaushalendra Kumar Ji also supported the Bill. He has suggested to include all cases below 500 sq.m.. That has been answered by me

earlier.

Shri Mohammad Basheer from Kerala talked about the Kerala State law. Kerala passed this Bill in 2015. Central Bill will override the State Bill. That is the constitutional position. He also said that smaller projects also have to be covered. I have already brought it down from 4000 sq.m. to 500 sq.m. He also said that the Bill should cover commercial establishments...*(Interruptions)*

If a Member says something and I do not cover, it does not look nice. I have a problem also. I have conveyed it to Shri Venugopal लेकिन वे निर्दयी हो कर ऐसे कर दिया।

मैं पार्लियामेंट्री अफेयर्स मिनिस्टर हूँ। राज्य सभा में चार बजे से राज्य सभा में जो सदस्य रिटायर हो रहे हैं, उनकी विदाई हो रही है। As a Parliamentary Affairs Minister I am supposed to be there. At the same time, since I have piloted the Bill I cannot leave the House and that is why I am trying to expedite but at the same time trying to address important points raised by one and all.

So, he said that commercial establishments should also be covered. I would like to say that this will cover both residential and commercial also.

Shri Premachandran talked about protection of cultivable land. The Bill is paying 17 per cent contract entered into between buyer and the promoter. It is left to the individual whether it is a cultivable land or not. The Government cannot step into that.

Shri P.D. Rai mentioned about standards. Standards are provided in 3(2) for promotional measures. Central Advisory Council is being proposed for advising and improvement also. That also is in the offing.

Practically, to the extent possible, I have tried to cover all the suggestions given by the hon. Members. I cannot say that everything has been covered but certain things which are not covered here will be taken care during making of the rules.

I have an open mind. I am there to take care of the consumers and also to give the needed protection to the developers also because they are also partners in development.

Before we finalise the rules, if the Members of Parliament have any suggestions, they are also welcome to send their suggestions to us. We will give a serious thinking to that also and take note of all that.

With this, I appeal to the House to pass this Bill unanimously.

HON. CHAIRPERSON : The question is:

"That the Bill to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

HON. CHAIRPERSON: Now the House will take up clause by clause consideration of the Bill.

Clause 2 Definitions

Shri Rajeev Satav, are you moving your amendment?

SHRI RAJEEV SATAV (HINGOLI): Sir, it is regarding a spelling mistake and the Minister can correct it. There are two spelling mistakes.

SHRI M. VENKAIHA NAIDU: They will be taken care of. I appeal to all the Members not to move their amendments because there is a broad consensus.

SHRI RAJEEV SATAV: Then, I am not moving my amendments.

HON. CHAIRPERSON: Shri B. Vinod Kumar, are you moving your Amendment Nos. 30 and 31?

SHRI B. VINOD KUMAR (KARIMNAGAR): Sir, I have given notice for some amendments so that the clauses have more clarity. There are some grammatical as well as spelling errors. I leave it to the hon. Minister. I am not moving.

SHRI M. VENKAIHA NAIDU: Sir, I assure all the Members that all the printing errors will be rectified.

HON. CHAIRPERSON: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

**Clause 3 Prior registration of real estate project
with Real Estate Regulatory Authority**

HON. CHAIRPERSON: Shri Rajeev Satav, do you want to move amendment No.9?

SHRI RAJEEV SATAV: Sir, I beg to move:

Page 7, *omit* lines 18 to 20. (9)

I am moving my amendment. It is regarding 500 square metres. This issue was raised in the Rajya Sabha also.

HON. CHAIRPERSON: I shall now put Amendment No.9 to Clause 3 moved by Shri Rajeev Satav to the vote of the House.

The amendment was put and negatived.

HON. CHAIRPERSON: Prof. Saugata Roy, are you moving your amendment?

PROF. SAUGATA ROY (DUM DUM): Sir, I have two amendments which the hon. Minister has already dealt with. I wanted to include more smaller flats in the ambit of the Bill. I do not press for the amendment but I would only quote Tagore in one matter. He said:

"Etotuku basa bohudin mone chilo asa dharonir ek kone, rohibo apon mone, dhon noi, maan noi, etotuku basa, korechinu asa."

He says that my desire is that I will find a corner and I will have a house. So I am happy that the home buyer is being looked after. That is why, I am not pressing my amendment.

HON. CHAIRPERSON: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

17.00 hours

**Clause 4 Application for registration
of real estate projects**

HON. CHAIRPERSON : Prof. Saugata Roy, are you moving your Amendment No. 27 to clause 4?

PROF. SAUGATA ROY: Sir, through this amendment I wanted more percentage of money deposited to be kept in an Escrow account and the hon. Minister has responded to that matter. So, I am not moving my amendment.

HON. CHAIRPERSON: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5 Grant of registration

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment Nos. 10 and 11 to Clause 5?

SHRI RAJEEV SATAV: Sir, I am not moving.

HON. CHAIRPERSON: Prof. Saugata Roy, are you moving your Amendment No. 28 to Clause 5?

PROF. SAUGATA ROY: Sir, my amendment was regarding 20 days instead of 30 days for registry. The hon. Minister has replied to it satisfactorily. I am not moving my amendment.

HON. CHAIRPERSON: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6 Extension of registration

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment No. 12 to Clause 6?

SHRI RAJEEV SATAV: Sir, I am not moving.

HON. CHAIRPERSON: Prof. Saugata Roy, are you moving your Amendment No. 29 to Clause 6?

PROF. SAUGATA ROY : Sir, I had given this amendment for extension of time. It should be nine months. But the hon. Minister has replied to that satisfactorily. I am not moving my amendment.

HON. CHAIRPERSON: The question is:

"That Clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 Revocation of registration

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment No. 13 to Clause 7?

SHRI RAJEEV SATAV : Sir, I beg to move:

"Page 10, *after* line 8,--

*add**(d) the promoter discriminates among potential allottees on the basis of religion, caste, creed, ethnicity, gender, marital status, nationality, region of origin, sexual orientation or food preferences, etc.;" (13)

HON. CHAIRPERSON: I shall now put Amendment No. 13 to Clause 7 moved by Shri Rajeev Satav to the vote of the House.

The amendment was put and negatived.

HON. CHAIRPERSON: The question is:

"That clause 7 stand part of the Bill."

The motion was adopted.

Clause 7 was added to the Bill.

Clause 8 Obligation of Authority consequent upon lapse of or on revocation of registration

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment No. 14 to Clause 8?

SHRI RAJEEV SATAV: Sir, I am not moving.

HON. CHAIRPERSON: The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Clause 9 Registration of real estate agents

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment Nos. 15, 16 and 17 to Clause 9?

SHRI RAJEEV SATAV : Sir, I am not moving.

HON. CHAIRPERSON: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clause 10 Function of real estate agents

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment No. 18 to Clause 10?

SHRI RAJEEV SATAV: Sir, I beg to move:

"Page 12, *after* line 17

add "(f) act in good faith and shall not discriminate among potential allottees on the basis of religion, caste, creed, ethnicity, gender, marital status, nationality, region of origin, sexual orientation or food preferences, etc." (18)

HON. CHAIRPERSON: I shall now put Amendment No. 18 to Clause 10 moved by Shri Rajeev Satav to the vote of the House.

The amendment was put and negatived.

HON. CHAIRPERSON: The question is:

"That clause 10 stand part of the Bill."

The motion was adopted.

Clause 10 was added to the Bill.

Clause 11 Functions and duties of promoter

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment No. 19 to Clause 11?

SHRI RAJEEV SATAV : Sir, I beg to move:

"Page 12, *after* line 43,--

after "electricity"

add ", garbage disposal and other amenities and services".

(19)

HON. CHAIRPERSON: I shall now put Amendment No. 19 to Clause 11 moved by Shri Rajeev Satav to the vote of the House.

The amendment was put and negatived.

HON. CHAIRPERSON: The question is:

"That Clause 11 stand part of the Bill."

The motion was adopted.

Clause 11 was added to the Bill.

Clause 12 Obligation of promoter regarding veracity

of the advertisement or prospectus

HON. CHAIRPERSON: Shrimati K. Kavita, are you moving Amendment No. 1 to Clause 12?

SHRIMATI KAVITHA KALVAKUNTLA (NIZAMABAD): Sir, if he says that he will make it a part of the rule, then I will not move the amendment. If a client is misled by an advertisement, the Bill says that you should give the money back. I am just saying that there should be a time frame. At least, within 45 days, पैसा वापिस दे देना चाहिए। टाइम फ्रेम स्पेसिफाई नहीं किया है तो थोसा हो सकता है। If the Minister says that it can be part of the rule, then I will not move the amendment. Otherwise, I will move the amendment.

SHRI M. VENKAIAH NAIDU: Definitely, it will be part of the rules.

SHRIMATI KAVITHA KALVAKUNTLA: Thank you, I am not moving.

HON. CHAIRPERSON: The question is:

"That clause 12 stand part of the Bill."

The motion was adopted.

Clause 12 was added to the Bill.

Clause 13 No deposit or advance to be taken by promoter

without first entering into agreement for sale

श्रीमती कविता कलवकुन्ता: इसमें भी मिनिस्टर साहब का अटेंशन चाहिए। This is regarding removing cash from the system. As an application fee, लोग पैसा लेते हैं, वह भी कैश में लेते हैं, I thought it would be nice if it can be specifically mentioned that the demand of cash will not be accepted whatsoever.

SHRI M. VENKAIAH NAIDU: As per the existing system in the country, beyond Rs. 20,000, you cannot have cash transaction. It has to be through cheque only. I do not think there is any need to make it a part of the system. Otherwise, in each and every transaction, you have to go on insisting it as part of the Bill. So, I would appeal to the hon. Member to understand the present practice and it will be as per the Government norms and rules laid down by the Finance Ministry.

SHRIMATI KAVITHA KALVAKUNTLA: I am not moving.

HON. CHAIRPERSON: The question is:

"That clause 13 stand part of the Bill."

The motion was adopted.

Clause 13 was added to the Bill.

Clauses 14 to 18 were added to the Bill.

Clause 19 Rights and duties of allottees

HON. CHAIRPERSON: Shri Satav, are you moving Amendment Nos. 20 and 21 to Clause 19?

श्री राजीव सातव : आदरणीय मंत्री जी ने यहाँ जो एक्सप्लेनैशन दिया है, मेरी रिवरैस्ट इतनी रहेगी कि वह गारबेज डिस्पोजल अदर एग्जेक्यूटिव में अगर रूल्स में ऐड हो जाए तो I am not moving.

SHRI M. VENKAIAH NAIDU: The Government is very much committed to Swachh Bharat Mission. Be rest assured about it. Time and again, I have been mentioning it here. I do not think it is required. Sanitation will be prominently included as part of this programme.

SHRI RAJEEV SATAV: But there should be garbage disposal also so that it will become clear.

SHRI M. VENKAIAH NAIDU: Solid Waste Management is part of our programme.

SHRI RAJEEV SATAV: Sir, I am not moving..

HON. CHAIRPERSON: The question is:

"That clause 19 stand part of the Bill."

The motion was adopted.

Clause 19 was added to the Bill.

Clauses 20 to 26 were added to the Bill.

**Clause 27 Restriction on Chairperson or Members
on employment after cessation of office**

HON. CHAIRPERSON: Shri B. Vinod Kumar, are you moving Amendment No. 32 to Clause 27?

SHRI B. VINOD KUMAR (KARIMNAGAR): I am not pressing Amendment No. 32 to Clause 27.

HON. CHAIRPERSON: The question is:

"That clause 27 stand part of the Bill."

The motion was adopted.

Clause 27 was added to the Bill.

Clauses 28 to 31 were added to the Bill.

**Clause 32 Functions of Authority for
promotion of real estate sector**

HON. CHAIRPERSON: Shrimati K. Kavita, are you moving Amendment Nos. 3 and 4 to Clause 32?

SHRIMATI KAVITHA KALVAKUNTLA: I would not press for Amendment No. 3 to Clause 32.

Sir, amendment No. 4 is regarding grading of the builders. You have just said about grading of the builders. अगर उसके साथ थोड़ा डिटेल दे सकते हैं like the parameters regarding the grading of the builders, it would be better. The parameters may be on energy efficiency, customer satisfaction, quality of legal documentation and the track record. अगर मंत्री जी कहेंगे कि वह रूल में आएगा तो I would not ask for the amendment.

SHRI M. VENKAIAH NAIDU: In the beginning itself, I said that all these suggestions will be kept in mind to the extent possible while formulating the rules and whichever comes under this definition of the Act, they will be incorporated.

SHRIMATI KAVITHA KALVAKUNTLA: Sir, I am not moving Amendment No. 4 to Clause 32.

HON. CHAIRPERSON: The question is:

"That clause 32 stand part of the Bill."

The motion was adopted.

Clause 32 was added to the Bill.

Clause 33 was added to the Bill.

Clause 34 Functions of Authority

HON. CHAIRPERSON: Shri Satav, are you moving Amendment Nos. 22 and 23 to Clause 34?

श्री सजीव सातव: मंत्री जी ने सदन को आश्चर्य किया है, इसलिए मैं मूव नहीं करूंगा।

HON. CHAIRPERSON: The question is:

"That clause 34 stand part of the Bill."

The motion was adopted.

Clause 34 was added to the Bill.

Clauses 35 to 42 were added to the Bill.

Clause 43 Establishment of Real Estate Appellate Tribunal

HON. CHAIRPERSON : Shri B. Vinod Kumar, are you moving your Amendment No.33 to Clause 43?

SHRI B. VINOD KUMAR : I beg to move:

"Page 23, line 43,-

after "the Act"

insert "subject to a maximum period of six months"." (33)

Clause 43, sub-Clause (4), specifies about the Appellate Tribunals. I request the hon. Minister to insert the sentence "subject to a maximum period of six months". Here, if the tribunals are not formed by the State Government, the existing Tribunal will function as an Appellate Tribunal under any law. The State Government may not constitute this Appellate Tribunal. So, I request the hon. Minister to insert the the sentence "subject to a maximum period of six months".

SHRI M. VENKAIAH NAIDU: It is not possible because it has to be established within a year. You know, we have to be extra careful. All this take some time. I am not able to accept this suggestion.

HON. CHAIRPERSON: I shall now put Amendment No.33 to Clause 43 moved by Shri B. Vinod Kumar to the vote of the House.

The amendment was put and negatived.

HON. CHAIRPERSON: The question is:

"That clause 43 stand part of the Bill."

The motion was adopted.

Clause 43 was added to the Bill.

**Clause 44 Application for settlement of disputes
and appeals to Appellate Tribunal**

HON. CHAIRPERSON: Shrimati Kavitha Kalvakuntla, are you moving your Amendment No. 5 to Clause 44?

SHRIMATI KAVITHA KALVAKUNTLA: No, Sir, I am not moving my Amendment.

HON. CHAIRPERSON: Shri Rajeev Satav, are you moving your Amendment No. 24 to Clause 44?

SHRI RAJEEV SATAV: Sir, I am not moving my amendment. I would only like to request the hon. Minister that here it is written 'to maintain the database'. Instead of that, it should be 'a digital and searchable database'. It should be taken care of during formulation of the rules.

HON. CHAIRPERSON: The question is:

"That clause 44 stand part of the Bill."

The motion was adopted.

Clause 44 was added to the Bill.

Clauses 45 to 49 were added to the Bill.

**Clause 50 Restrictions on Chairperson or Judicial Member
or Technical or Administrative Member
on employment after cessation of office**

HON. CHAIRPERSON: Shri B. Vinod Kumar, are you moving your Amendment No.34 to Clause 50?

SHRI B. VINOD KUMAR: Sir, I am not moving my Amendment. The hon. Minister has already clarified on this issue.

HON. CHAIRPERSON: The question is:

"That clause 50 stand part of the Bill."

The motion was adopted.

Clause 50 was added to the Bill.

Clauses 51 to 92 were added to the Bill.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

HON. CHAIRPERSON: Now, the Minister may move that the Bill be passed.

SHRI M. VENKAIAH NAIDU: I beg to move:

"That the Bill be passed."

HON. CHAIRPERSON: The question is:

"That the Bill be passed."

The motion was adopted.

SHRI M. VENKAIAH NAIDU: Chairman, Sir, I would like to thank all the members from all the political parties for their wholehearted support which they have extended to this Bill. I am sure that this Bill will live up to the expectations and aspirations of the people. Whatever further improvements to be made in the future, we will collectively think about them and then take it forward. Thank you.

SHRI K.C. VENUGOPAL (ALAPPUZHA): The Parliamentary Affairs Minister should understand that the House has fully cooperated with the Government. They should not take the Opposition for granted.

SHRI M. VENKAIAH NAIDU: Thank you very much for your cooperation also. Let there be no separation in between.

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