



KERALA REAL ESTATE REGULATORY AUTHORITY
Trinity Centre, TC No. 14/4354, Kesavadasapuram,
Trivandrum-695004

No 102/3/2020/KRERA

Date: 28.08.2025

ORDER

Subject: Directions Regarding the Operation and Maintenance of Separate Bank Accounts for K-RERA Registered Real Estate Projects

Ref: 1. Section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016
2. Rule 5 of the Kerala Real Estate (Regulation and Development) Rules, 2018.
3. Maha RERA Order No. 56/2024 dated 27/06/2024

As per Section 4(2)(l)(D) of the RERA Act, 2016, every promoter is required to deposit **seventy percent (70%) of the amounts realized** for the real estate project from the allottees into a **separate bank account** maintained in a scheduled bank. This account is to be used exclusively to cover the cost of construction and the land cost and is to be withdrawn in proportion to the completion of the project.

To ensure uniformity, transparency, and financial discipline in the operation of project bank accounts, K-RERA hereby issues the following directions.

Opening and Operation of Project Bank Accounts:

Every promoter registering a real estate project with K-RERA shall mandatorily open the following bank accounts in a scheduled bank:

- **K-RERA Designated Collection Account**
- **K-RERA Designated Separate Account**
- **K-RERA Designated Transaction Account**

Collection Account:

All money received from allottees, including basic cost, parking charges, amenities, etc., but excluding statutory taxes, shall be deposited in the **Collection Account**.

▪ Sweep Facility:

The promoter shall issue a **standing instruction** to the bank for the following automatic transfer (auto-sweep):

- **Minimum 70% of the amount to the Separate Account.**
- **Maximum 30% of the amount to the Transaction Account.**

No manual withdrawal, debit card, internet banking, or cheque access shall be enabled for the Collection Account as well as Separate Account. The Collection account must only permit transactions through the **auto-sweep mechanism**.

▪ **Use of Fixed Deposits from Separate Account (Optional Provision)**

Subject to the same restrictions adopted by other regulatory Authorities promoters may, at their discretion, place excess funds lying idle in the Separate Account in a Term Deposit under the following conditions:

- The Term Deposit must be a **No Lien FD**.
- The FD must be opened **only with the same bank** that holds all three designated accounts.
- **No loan, overdraft, or charge** shall be allowed on the FD.
- **Interest earned** must be used only towards **construction or land cost** of the project.
- The details of such FDs shall be disclosed in the Quarterly Progress Reports submitted to K-RERA.

Disclosure and Compliance:

- Promoters shall disclose the account numbers and bank details at the time of project registration.
- They shall also submit a copy of the standing instruction to the bank authorizing the sweep mechanism.
- Non-compliance shall attract penal provisions under Sections **60 and 61** of the RERA Act, 2016.

These directions shall apply to all new projects registered on or after **01.09.2025**. Promoters of ongoing projects may also voluntarily align their operations in accordance with this mechanism.

By Order of the Authority

Secretary (Technical & Administration)
Kerala Real Estate Regulatory Authority