



## Maharashtra Ownership Flats (Amendment and Validation) Bill, 2025 – Deemed Conveyance Extended to RERA Projects, MOFA Criminal Liability Curtailed

The Maharashtra Ownership Flats (Amendment and Validation) Bill, 2025, has been introduced in the Maharashtra Legislative Assembly but has not yet been notified as law. The Bill proposes a fundamental restructuring of the interface between MOFA, 1963 and RERA, 2016, for projects registered under RERA.

The centrepiece of the Bill is a new Section 1A in MOFA. The proposed Section 1A explicitly excludes applicability of most of the MOFA provisions to RERA projects, preserving just sections 5A, 11A, 13B, 13C, 13D and other provisions relating to the Competent Authority. In other words, it is expressly clear that only these sections shall apply to RERA-registered projects.

While it is a big win for housing societies of post 2016 RERA projects, closing a long-standing gap where RERA itself lacks a direct equivalent, however, the trade-off by exclusion of the rest of the MOFA provisions, including its penal provisions, for RERA-registered projects will be a very significant move.

MOFA's broader regulatory and penal provisions (especially Section 13, with up to 3 years' imprisonment for offences like fund misuse, delayed possession, or plan deviations) will no longer apply to RERA-registered projects. Instead, such issues will be handled exclusively under RERA via financial penalties, interest, compensation and enforceable directions from MahaRERA or its Appellate Tribunal.

Significantly, the amendment is proposed to operate with effect from 1 May 2016, being the date from which RERA effectively commenced.

### THE LEGISLATIVE INTENTION IS UNAMBIGUOUS:

- While MOFA is being withdrawn as a general regulatory and penal statute for RERA projects, it is being deliberately preserved as the statutory mechanism for unilateral deemed conveyance.
- Make RERA the single, comprehensive code for registration, transparency, timelines and buyer protection in ongoing/future projects and eliminate parallel criminal risks under MOFA.

### KEY IMPLICATIONS:

- **For Developers:** Need to treat RERA as the primary compliance statute, with robust internal systems for registration, disclosures, use of project funds, quarterly updates and view RERA orders not as administrative formalities but as serious regulatory exposures. Their risk profile shifts from a MOFA–RERA dual exposure at times to an almost entirely RERA-centric, regulatory and financial exposure.

- **For Homebuyers & Societies:** Clear statutory backing for deemed conveyance in RERA-era projects – societies can directly approach the Competent Authority for unilateral orders. However, remedies for delays/defaults move to RERA forums, losing the deterrent of criminal prosecution. Effectiveness will hinge on MahaRERA's enforcement strength.

The amendment will bring clarity by positioning RERA as the primary regulatory and enforcement statute, while MOFA will largely survive, in the RERA context, only as a tool to secure title through deemed conveyance for RERA projects.

We hope you have found this information useful. For any queries/clarifications, please write to us at [insights@elp-in.com](mailto:insights@elp-in.com) or write to our authors:

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