

The Unfulfilled Promise: A Critical Analysis of Revenue Recovery Certificate Execution under Section 40 of the Real Estate (Regulation and Development) Act, 2016

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Abstract—The Real Estate (Regulation and Development Act 2016(RERA), was enacted to bring much needed transparency, accountability and consumer Protection to India’s historically known unregulated sector of real estate. While the RERA has improved in project registration, disclosures and dispute adjudication but its effectiveness is severely hampered by persistent challenges in the execution of its orders, particularly execution of its Revenue Recovery Certificate (RRCs) issued under section 40 of the Act. This paper in particular examine the administrative and legal lacunae in RERA consumer redressal mechanism, focusing on the failure of execution of RRC .Draw empirical data from various states ,including Madhya Pradesh, Uttar Pradesh, Haryana and Karnataka ,it highlights the alarmingly low recovery rates of compensation and penalty .This paper identifies key issue such as the overreliance on overburdened district revenue machinery, lack of dedicated enforcement units, inter agency coordination failures and statue in the existing form fails to protect consumer efficiently and add edition burned of legal recourse via Writ Petition in High court. The Paper concludes with concludes with policy recommendations, including the enforcement of independent enforcement wing, stronger coordination with revenue and police authorities and legal amendment to ensure the enforceability of RERA decision, thereby, restoring consumer confidence and realizing the Act transformative vision.

Index Terms—Real Estate Regulation, RERA, Consumer Protection, Enforcement Mechanism, Recovery Certificates, Section 40, Implementation Challenges

I. INTRODUCTION

Historically, India’s real estate sector operated largely unregulated in the absence of any specific set of legislation, leading to a landscape of widespread malpractices and significant decline in consumer trust. Before the enactment of RERA, Consumer frequently encountered with the issue such as indefinite project delay, lack of accountability of developer, fund diversion and poor construction quality and misleading advertisements. Buyers often faced uncertainty regarding property titles and lack of access to complete and authentic project information. This environment makes the consumers vulnerable to unchecked practices, making real estate sector highly risky. Despite these challenges, the real estate sector contributes a significant account towards national Gross Domestic Product (GDP) and major source of employment ,indicating a substantial growth trajectory towards a market size of USD 1 trillion by 2030 and potentially USD 1.3 trillion by 2034.¹The Rapid growth of such an economically significant sector which historically known for malpractices , created and urgent need for enactment of a robust framework to boost the confidence of consumers and setting standards in real estate sector. This led to the anactment of the Real Estate (Regulation and Development) Act, 2016 (hereinafter ‘RERA’), was not merely a legislative addition but a fundamental response to systemic market failures, aiming to instill confidence and protect all stakeholders.

RERA represents a landmark legislative intervention designed to overhaul the Indian real estate industry.

¹ Ujjivan Small Finance Bank, *What Is RERA (Real Estate Regulatory Authority) Act?* Ujjivan Small

Finance Bank, <https://www.ujjivansfb.in/banking-blogs/borrow/what-is-rera> (last visited July 24, 2025).

The bill was passed by the Rajya Sabha on March 10, 2016, and the Lok Sabha on March 15, 2016, subsequently receiving presidential assent on March 25, 2016. Most of its provisions became effective on May 1, 2017.²

The Core objective of the Act is multi-faced, aiming to establish a Real Estate Regulatory Authority (RERA) in each state and union territory to maintain

checks and balances in the sector.³ The Act has primary goal that the sale of Plots, apartments or buildings occur in an efficient and transparent manner and maintain accountability of developer and a comprehensive grievance redressal mechanism to boost the confidence of homebuyer.⁴ It also seeks to introduce uniformity, standardization, and professionalism across the sector.⁵

Table:1.1 RERA Implementation Status across States and Union Territories (As on 08.04.2024)⁶

S. No.	Component	Status	States/UTs Yet to Comply
1.	Rules Notified under RERA	All States/UTs except Nagaland	Nagaland
2.	Regulatory Authorities Established	32 (Regular – 27, Interim – 5)	Ladakh, Meghalaya, Nagaland, Sikkim
3.	Real Estate Appellate Tribunals Established	28 (Regular – 24, Interim – 4)	Arunachal Pradesh, Jammu & Kashmir, Ladakh, Meghalaya, Mizoram, Nagaland, Sikkim, West Bengal
4.	RERA Websites Operationalized	30 States/UTs	Arunachal Pradesh, Manipur
5.	Adjudicating Officers Appointed	26 States/UTs	Arunachal Pradesh, Bihar, Manipur, Meghalaya, Nagaland, Sikkim, Uttarakhand, West Bengal, Jammu & Kashmir, Ladakh
6.	Registered Real Estate Projects	1,24,739	–
7.	Registered Real Estate Agents	87,212	–
8.	Special Note: Haryana	2 Authorities (Gurugram & Panchkula)	

The Government move is from a purely curative where existing consumer protection laws offered only post-facto remedies, to a preventive and proactive regulatory framework designed to address systemic issues and foster ethical practices from the outset.⁷ The above Table 1.1 shows the continuous effort of government towards the establishment of RERA across state.

Scope of the Paper

This paper critically evaluates the administrative and legal lacunas in RERA consumer redressal

mechanism, with a specific focus on the systematic failure in executing Revenue Recovery Certificate (RRCs) under section 40 of the Act. While the analysis drawn on challenges and issues in states across India, it incorporates Madhya Pradesh to illustrate the Practical implication of the enforcement gaps. The paper seeks to answer the core question, Has RERA matured into an effective tool of consumer empowerment or has it stagnated into an ornamental regime with limited enforceability, particularly concerning the relaiation of RERA issued RRCs?

² Nithi, "RERA Act: A Critical Analysis," 11 Penac Claims 1 (2020), <https://www.penacclaims.com> (last visited July 24, 2025).

³ Atlas Law Partners, *A Brief Primer Real Estate 2016*, Atlas Law Partners (May 2019), <https://atlaslawpartners.com/wp-content/uploads/2019/05/a-brief-primer-real-estate-2016.pdf>.

⁴ Nithi, supra note 2.

⁵ Nikitha, Critical Analysis of RERA Act, 2016, B&B Associates LLP (n.d.), <https://bnblegal.com/article/critical-analysis-of-rera-act-2016/> (last visited July 24, 2025)

⁶ Ministry of Housing and Urban Affairs, *RERA Status Tracker as on 08.04.2024*, <https://mohua.gov.in/upload/uploadfiles/files/RERA-Status-Tracker-08-04-2024.pdf> (last visited July 29, 2025).

⁷ BNBLegal, supra note 5.

II. OVERVIEW OF RERA ADJUDICATION FRAMEWORK

RERAs primary legislative intent was to streamline regulation of the real estate sector, instill accountability and robustly protect consumer interests.⁸ It adopts a three-tier adjudication framework that includes Real Estate Regulatory Authority, the Adjudication officer and the Real Estate Appellate Tribunal. At the heart of this structure lies section 40, which provides the coercive enforcement mechanism necessary to convert the order into fruitful result.

The RERA has introduced some key provisions to streamline the real estate development such as

- i. Mandatory Project Registration and Disclosures: All commercial and residential units exceeding 500Sq.Meter. Or eight apartments must register with the respective RERA authority. Promoters/developer is under strict obligation to disclose Project details that include Land titles, various approvals from local authority, development layout and financial statements for Registration. To ensure transparency all the information on the RERA web portal.⁹
- ii. Escrow Account Management: A new set standard for introducing financial discipline by depositing 70% of the amount received from allottees into a separate escrow account for each project, for utilization for that project and construction and land cost.¹⁰ This provision is designed to prevent diversion of fund, that historically led to stalled or abandoned project.¹¹
- iii. Timely Project Completion & Penalties for Delay: Developers/promoters need to be strictly adhered to the promised timeline. Any delay will be result into penalty with interest paid to the allottee.¹²

- iv. Grievance Redressal Mechanisms: RERA provides for a Three- tier adjudication mechanism for resolution of disputes arising between homebuyers, promoters and real estate agents – At the first level Real Estate regulatory Authority (RERA) is constituted under section 20 of the Act. Its Primary function includes real estate project registration¹³, and agents, monitor compliance with statutory obligation and initiate inquiry in case of violations. Under section 35, the Authority is vested with power to investigate and under section 36 they can issue orders of interim nature also under section 38 they authority can impose penalties and direct remedial measures and complaints regarding project delays, non-disclosure of sanctioned plans and noncompliance with project specification can be taken to the RERA authority under section 31.¹⁴

The second tier consists of the Adjudication officer (AO) appointed under section 71 of the Act. The AO is a judicial officer not below the rank of District Judge, who has adjudicatory function of resolving disputes relating to claims for interest and compensation under section 12,14,18 and 19. These are the Provision dealing with false advertisement, structural defects, delay in possession and promoter obligation. The AO jurisdiction invoked when a consumer seeks compensation due to the loss or damage suffered due to the noncompliance of promoter/developer with the Act. The Procedure is summary in nature and aims to deliver timely justice.¹⁵ The third and final tier is the Real Estate Appellate Tribunal (REAT) established under section 43. any person aggrieved by an order of the RERA authority or the AO can file an appeal before the REAT within sixty days. The Tribunal as an appellate body have powers similar to that of civil court. As per section 53, further

⁸ Atlas Law Partners, supra note 3.

⁹ Morais City Blog, *Understanding RERA and Its Impact on Homebuyers* (n.d.), <https://moraiscity.com/blog/understanding-rera-and-its-impact-on-homebuyers/> (last visited July 24, 2025).

¹⁰ Real Estate (Regulation and Development) Act, 2016, s. 4(2)(l)(D).

¹¹ Nithi, supra note 2 ; Puravankara, supra note 3.

¹² Atlas Law Partners, supra note 3

¹³ Real Estate (Regulation and Development) Act, 2016, s. 3.

¹⁴ Real Estate (Regulation and Development) Act, 2016, No. 16 of 2016, India Code (2016)

¹⁵ Law Bhoomi, Real Estate Regulatory Authority, LawBhoomi (n.d.), <https://lawbhoomi.com/real-estate-regulatory-authority/> (last visited July 24, 2025).

appeals from the RERA lie with the High Court under section 58. Importantly, the enforcement of orders especially those related to compensation and monetary recovery is addressed under section 40 of the Act. Section 40(1) is the very heart of the Act ensures enforcement of the monetary orders passed by RERA authorities. It stipulates that if a promoter/developer, allottee or real estate agent

fails to pay interest, penalty or compensation imposed on them by AO, Regulatory authority or the REAT such amount shall be recoverable as an arrear of land revenue,¹⁶ as per the provision of section 147 of Madhya Pradesh Land Revenue Code 1959.

The Process involves the issue of Revenue Recovery Certificate (RRCs) by RERA a formal request to the revenue department usually the District Collector to recover the Penalty.¹⁷ This responsibility is further sub delegated to the local Sub Divisional Magistrate(SDM) or Tehesildar .¹⁸ The Tehesildar/SDM issue a “Writ of demand” which requires the defaulter to appear or to pay the stipulated amount within the given time frame.¹⁹In case the defaulter fails to comply with the “Writ of demand” the revenue officials under section 147 MPLRC r/w Section 60 of Code of Civil Procedure,1960 is empowered to take coercive action such as attachment and sale of property immovable or movable or attachment without sale and issue of Garnishee

Order²⁰ and in some cases arrest of Defaulter for short Period.²¹ The mechanism is designed to provide a robust and efficient means if recovering dues, leveraging the exiting state revenue recovery machinery. However, the practical implementation of RERA orders under section 40 is grounded with challenges and issues.

III. CHALLENGES IN RERA ENFORCEMENT: THE "TOOTHLESS TIGER" SYNDROME

Despite RERSs Ostensible comprehensive adjudication and enforcement frame work the Act fails to do complete justice which fails the very purpose the Act, Section 40 has often proven ineffective in delivering justice to innocent consumer. while RERA effectively adjudicates the disputes at the initial stages, implementation through the state revenue machinery often breaks down leading to significant discrepancies between binding orders and their actual execution.

This disconnect has earned RERA the reputation of a “Toothless tiger”; empowered to issue orders, yet largely handicapped in enforcement.²²

The enforcement of rate of RERA RRCs are critically low and considering the backlog of RRCs across various state, indicates systemic failures in this crucial last –mile enforcement.

Table 1: Illustrative Recovery Certificate Execution Rates in Select States

State/Region	Period	Total RCs Issued (Number)	Total RCs Issued (Value)	Total RCs Recovered (Value)	Recovery Rate (%)
Uttar Pradesh	2018-2023	~8,800	~₹2,400 crore	~₹1,200 crore	~50%
Gurugram (Haryana)	2018-2023	240	Not specified	1 RC realized	<1%
Karnataka	As of May 31, 2025	1,815	₹821.75 crore	₹97.36 crore	~11.8%
Bengaluru Urban	As of May 31, 2025	1,762	₹806.92 crore	₹96.36 crore	~11.9%

Data compiled Table-1

¹⁶ Real Estate (Regulation and Development) Act, No. 16 of 2016, § 40(1), India Code (2016).

¹⁷ Execution of Recovery Certificate Issued by RERA Authority, Krine Legal (n.d.), <https://krinelegal.in/execution-of-recovery-certificate-issued-by-rera-authority/> (last visited July 24, 2025).

¹⁸ *Id.*

¹⁹ *Id.*

²⁰Code of Civil Procedure, 1908, Ord. 21, r. 46.

²¹ *Id.*

²² Utkarsh Anand, “RERA ‘toothless tiger’ due to lack of enforcement powers,” Hindustan Times (Oct. 3, 2024), <https://www.hindustantimes.com/cities/delhi-news/rera-toothless-tiger-due-to-lack-of-enforcement-powers-101727892074915.html> (last visited July 26, 2025).

The Madhya Pradesh Real Estate Regulatory Authority (MP RERA) serves as a significant case study in understanding these challenges. The Authority has shown a progress in Project Registration, builder Compliance consumer awareness, grievance redressal mechanism but when it comes to enforcement of RRCs show a drastic result from no to less than 1% among the various cities in MP. According to the Official Varshik Prativedan (Annual Report) of MP RERA, from 2019-20 to 2023-24, cumulative of 7085 consumer complaints were available for disposal over the five years period. Of

these 6913 complaints were resolved, while 766 cases remained pending as of march 31 2024.²³ This indicates a successfully disposal rate of 89.2% which still leaves a backlog that undermines the objective of timely dispute resolution of as per RERA.

Further that data from the report under Appendix -5 of RERA Annual report 2023-24 on 31.03.2024.Financial Data it quantifies the revenue recovery efforts, showing the initial outstanding revenue, the collections made during the financial year 2023-24, and the balance of revenue still to be recovered.

District Name	RRCs till 01.04.2023	Amount (₹ Million)	RRCs in FY 2023-24	Amount (₹ Million)	Total RRCs	Total Amount (₹ Million)	Recovered (₹ Million)	Pending RRCs	Pending Amount (₹ Million)
Bhopal	482	833.61	249	533.44	731	1,367.06	7.06	725	1,359.99
Indore	566	519.26	159	258.79	725	778.05	4.57	724	773.48
Dewas	125	90.80	20	34.51	145	125.31	0.00	145	125.31
Gwalior	66	98.84	17	19.11	83	117.95	0.00	83	117.95
Jabalpur	40	43.79	17	40.36	57	84.15	1.45	55	82.70
Sehore	17	16.13	1	5.20	18	21.32	0.00	18	21.32
Satna	12	31.46	0	0.00	12	31.46	1.50	11	29.96
Dewas	3	2.13	2	1.49	5	3.62	0.00	5	3.62
Harda	2	0.54	0	0.00	2	0.54	0.00	2	0.54
Ujjain	3	3.52	4	6.86	7	10.39	0.00	7	10.39
Sagar	1	0.05	1	0.12	2	0.17	0.00	2	0.17
Hoshangabad	2	1.18	2	3.10	4	4.28	0.00	4	4.28
Ratlam	2	1.78	0	0.00	2	1.78	0.00	2	1.78
Narsinghpur	1	0.76	0	0.00	1	0.76	0.00	1	0.76
Vidisha	4	6.15	1	1.13	5	7.28	0.00	5	7.28
Chhindwara	1	0.54	0	0.00	1	0.54	0.00	1	0.54
Dhar	0	0.00	1	0.70	1	0.70	0.00	1	0.70
Total	1325	1,650.00	475	905.34	1800	2,555.35	14.59	1790	2,540.76

Data compiled Table-2

Descriptive Statistical Summary

Metric	Value
Total RRCs Issued	1800
Total Recovery Certificates (₹M)	2555.35
Total Recovered Amount (₹M)	14.59
Total Pending Amount (₹M)	2540.76
Average RRC Amount (₹M)	1.42
Median RRC Amount (₹M)	0.76
Highest Recovery District	Satna (4.77%)
Lowest Recovery District	14 Districts (0%)

Data compiled Table-3

Further the data under section 40 of the Act reveals another critical enforcement bottleneck.MP RERA issued RRCs amounting to ₹11,650.00 million to various District Collector for the recovery of compensation, interest and penalties from errant promoters. However, the total amount recovered was only ₹14.59 million. Below was the district wise observation-²⁴

²³ .Madhya Pradesh Real Estate Regulatory Authority, Annual Report 2023 24, at 35, <https://rera.mp.gov.in/Upload/Publication/>

MP-RERA-Annual-Report-2023-24.pdf (last visited July 24, 2025).31. Id. at 38-39.

²⁴ Krine Legal, supra note 22

High Volume and Low Recovery Rate – Bhopal and Indore together account of 84% of the total money but have recovery rate below 1%

14 other districts recorded 0% recovery, highlighting the failure of Revenue recovery machinery failur .

Satna demonstrates a 4.77% recovery rate highest in the dataset despite a smaller volume.

This glaring gap between orders passes and actual recovery reflects that they have failed to mobilise recovery effectively under section 40 of the Act. The literature identifies several interconnected reasons for continuous enforcement gaps.’

The primary reason cites for non-implementation of RERA orders by revenue officials is their existing heavy workload, which lead to depolarization of related recoveries.²⁵ Another reason is the Lack of Dedicated Enforcement Mechanism, as the authority lacks an effective mechanism to enforce its own orders.²⁶ While the RERA possess the power akin to those of a civil court for enforcing orders, these powers appear to be largely untapped.²⁷ To tackle this situation many states suggest the establishment of dedicated revenue units for strict Compliance²⁸ of RRCs .

However, Gujarat RERA model is land mark in multiple dimensions in governing real estate, like timely disposal of cases, transparency and affordable housing, particularly in the matter execution of RRCs. During the revenue year of 2023 -24, GJ RERA has resolved 291 complaints. The Common complaints include-Refund with interest 52 complaints, Possessions 52, complaints, sale deeds 51 complaints, poor workmanship 46 complaints and compensation 21 complaints

Gujarat RERA also faces the issue of low revenue recovery due to the overburdened revenue authorities, to solve this challenge Gujarat RERA enacted Gujarat Real Estate Regulatory Authority (Execution Proceedings) Regulations, 2021, Promulgated under section 85(1) & (2)(1) which empowers the state

RERA to make rules to carry out the purpose of the Act.

Section 40 of the RERA Act empowers the authority to execute the orders in the manner as an arrear of land revenue under 40 (1) i.e. penalty interest or compensation (Monetary orders) but under 40(2) deals with enforcement of directions or order like delivery, possession or stop construction.

Rule 20 of the Gujarat Real Estate (Regulation and Development) Rules, 2017 provides that” implementation of order, directions or decisions of the Adjudicating officer RERA or REAT (Real Estate Appellate Authority)” in the same manners as it is where a decree or order of the principle civil court These rules are complimentary to the execution provisions of CPC 1908 and the person in whose name order is made is called Decree holder and the person against whom order is to executed is Judgment debtor. The Civil Court having jurisdiction is bound to execute the decree/order in the manner as it it passed by the court itself following the provision of sec 36 of CPC 1908.

An application is to make under O21 R11 for commencing the execution proceeding and civil court has its own mechanism to execute the decree/order and it not only includes attachment and sale of Property also contain provisions for Civil Imprisonment in case of dissonance to order. The Attachment is run by Section 60 of CPC contain an exclusive list of property that can be attached in execution of decree. In short, the execution mechanism comparatively more effective that the execution mechanism under the Local revenue laws on with the execution of RERA relies.

The Gujarat Model of RERA is proved successful all the states. But this is not the only reason for adopting the GJ Model, RERA authorities in other states are wholly dependent on the other government departments, such as police for the execution of arrest warrant against noncompliance of builders but police

²⁵ The Hindu, supra note 27

²⁶ A Study on the Impact of Real Estate (Regulation and Development) Act, 2016 on Builders and Homebuyers, IU Journal of Law and Policy (June 2023), <https://journal.iujharkhand.edu.in/June-2023/A-Study-on-the-impact-of-Real-Estate.html> (last visited July 26, 2025).

²⁷ Krine Legal, supra note 22.

²⁸ Karnataka RERA struggles to recover penalties, over ₹666 crore still pending, 99ACRES (Jan. 18, 2025), available at: <https://www.99acres.com/articles/karnataka-rera-penalty-recovery.html> (last visited July 31, 2025).

fail to act or priorities their orders.²⁹ Multiple times allegation of nexus between builder and police officers have been raised that may hinder the enforcement of RERA orders.

Allegations of a nexus between builders and the police have been raised, suggesting that such relationships may hinder the effective enforcement of RERA orders.³⁰The existing lack of effective interagency coordination posed as a significant governance gap which creates an accountability vacuum.

Adoption of Gujarat model in the states is a distant dream in the States, however in case of the failure of the Revenue Authorities to provide justice to the Consumers. The alternative remedies are Consumer Protection Act Route, Insolvency and Bankruptcy Code Route and issue of Writ of Mandamus by High Court and Criminal Complaint against the Builder /Developer.

Understanding the alternative remedies, firstly under Insolvency and Bankruptcy code 2016(IBC), After the Judgment of Pioneer Infra case³¹, allottees³² under RERA have given the status of “financial creditor” under the Section 7 of IBC and by the amendment to IBC 2020.imposes a condition that Corporate Insolvency Resolution Process can be initiated by either 100 Allottees or 10% of all of them whichever is less. They became the Member of Committee of Creditors, who shall be represented by the “Authorised Representatives per the mandate of section 21(6A) (B) and 25A, He vote as per the majority decision of Allottee. The procedure is definitely a secured option over delayed or no enforcement over RERA. But IBC have its own Challenges. The data of 2024 September shows that only 160 real estate companies achieve resolution oft of 1760, reflecting low success rate also, only 31 % of the claims of the creditors have been realized, suggesting the problem of adequate compensation³³ to allottees.

IBC is sound good remedy but the only challenge is that the allottee cannot always the get the desired remedy under it, either the roof or Compensation along with damages and interest. However, the former is always the first choice. In case of Stalled Project, the allottee always prefers the option of possession over compensation. The Primary reason for stalled project is lack of monetary fund, which again raised a critical question on the Management of Escrow Account under Section 4(2) (1)(D) of RERA Act. From this we can infer that the mechanism under IBC is not an issue, but the RERA having more problems other that challenge in execution of orders.³⁴

The Route is through the Intervention of High Court (Writ of Mandamus) which in literal term means we command it’s a “Writ issued by superior court commanding the Performance of a specified official duty or act” If written representation and regular reminders for execution made to the SDM/Tehsildar they either delay or don’t take any action , the aggrieved party can seek intervention from High Court, they Issue the writ to the RERA authority for the execution of RRC or to the collector office directing to enforce the said recovery within time bound manner.³⁵ Non Compliance of the order of the High Court leads to issue of contempt proceedings.³⁶ Recent cases from the Madhya Pradesh High Court Vividly illustrate this challenge in Case of Harendra Singh Bhadoriya v.The State of Madhya Pradesh and Ors.,³⁷

Where the Petitioner had paid an advance for a piece of plot, but the builder fails to hand over the possession and the township registration was terminated. The MP RERA odered the refund of the amount with interest. However, the order was not executed despite the issuance of RRC by RERA under section 40(1) r/w MP RERA rules and Section 155(c) OF MPLRC Aggrieved by the inaction, the petitioner approach the

²⁹ Id.

³⁰ Id.

³¹ Pioneer Urban Land and Infrastructure Ltd. & Anr. v. Union of India & Ors., Writ Petition (Civil) No. 43 of 2019, decided on 9 August 2019, by Justice R.F. Nariman and Justice Surya Kant.

³² Real Estate (Regulation and Development) Act, 2016, No. 16 of 2016, § 2(d), The Gazette of India, April 26, 2016.

³³ Abhishek Kumar & Aditya Singh Raghuvanshi, Under Construction Forever? RERA and IBC in the Battle of Stalled Projects, NUALS Law Journal, 4 May 2025.

³⁴ Id.32

³⁵ LegalHeights, supra note 37

³⁶ Id.

³⁷

High Court under Article 226 of The Constitution of India filed writ of mandamus. High Court acknowledges the fact of systemic failure of the revenue authority to ensure the execution of the RRC with time bound manner with in maximum of three months.³⁸ This case highlights the practical difficulties faced by homebuyers in actual execution of favorable orders by RERA and necessity of judicial intervention to compel administrative action.

Similarly in the case of Rakesh soni s/o Shri munnalal soni vs execution officer RERA , MP, Bhopal the petitioner sought a refund from the builder as directed by RERA order dated 1.02.2020.Despite the issuance of an RRC by RERA on 13.08.2021 and subsequent notice to Tehsildar in May 2023 for Payment of 16lacks ,no execution has been made .The HIGH Court noting the Pending RRC and absence of any stay , directed the Bhopal collector to execute the in Three Months.³⁹

Another instance is Badri Prasad patel s/o shri ram ashre patel vs the State of MP, in this case the petitioner obtained a RERA order on 24.03.2023 for compensation of 7.71lack with interest and cost. when the amount remains unpaid, RERA issued RRC on 29.12.2023., which again remains non executed. The petitioner approached the High Court, seeking immediate execution of and orders the execution of RRC within three months.⁴⁰

Further reinforcing this pattern, in Preeti nishant vaishnav w/o nishant vaishnav v. The State of MP, The petitioner after securing RERA orders for a refund

with intrest in January 2020 and RRC in November 2022 had still not recived the amount. The High Court again intervened directing the collector to execute the RRC.⁴¹

Similarly in case of Surendra Raghuwanshi vs.State of MP

Again, High Court has to intervene for the Execution of the RRC.⁴²

This issue further highlighted by cases where builders attempt to protract the execution. In case of RANA and Joshi BuildtechPvt.Ltd.vs the collector and oths. , the builder appealed against High court direction to execute the RRC ,despite the amount deposited with RERA appellate tribunal .The High Court dismissed the appeal and emphasises RERAs objective of speedy disputed redressal and directing the collector to immediately execute the RRC and to the Appellate authority to release the amount to Allottee.⁴³ This shows the hyper approach of judiciary to Provide justice to the innocent homebuyers. Adding to this evidence, in case of Indrabhusan Verma vs. Collector MP, High Court, the petitioner was awarded ₹4,63,833/- with 14.25% interest and ₹10,000/- in costs by RERA on 13.05.2022. Despite an RRC being issued to the collector Raisen district on May 2023, the amount remains unrecovered. The High Court Directed the execution of the Pending RRC positively in time bound manner of three months.⁴⁴

The issuance of the direction by the High Court and execution of that direction both are different things, in many cases in the major cities of MP like Bhopal,

³⁸ Harendra Singh Bhadoria v. The State of Madhya Pradesh and Ors., Writ Petition No. 21798 of 2024, decided on Aug. 1, 2024 (M.P. H.C.), available at: <https://ibclaw.in/harendra-singh-bhadoria-vs-the-state-of-madhya-pradesh-and-ors-madhya-pradesh-high-court/?print=pdf> (last visited July 29, 2025).

³⁹ Rakesh Soni v. Execution Officer, Real Estate Regulatory Authority, Madhya Pradesh, Bhopal, Writ Petition No. 5078 of 2024, decided on May 6, 2024 (M.P. H.C.), available at: <http://indiankanon.org/doc/199573340/> (last visited July 29, 2025).

⁴⁰ BADRI PRASAD PATEL S/O SHRI RAM ASHRE PATEL v. THE STATE OF MADHYA PRADESH, Writ Petition No. 13344 of 2024 (M.P. High Court, May 22, 2024)

⁴¹ PREETI NISHANT VAISHNAV W/O NISHANT VAISHNAV v. THE STATE OF MADHYA PRADESH, Writ Petition No. 11158 of 2024 (M.P. High Court, May 8, 2024).

⁴² SHRI SURENDRA RAGHUVANSHI W/O SHRI N.S. RAGHUVANSHI v. STATE OF MADHYA PRADESH, Writ Petition No. 9093 of 2022 (M.P. High Court, July 29, 2022).

⁴³ RANA AND JOSHI BUILDTECH PVT. LTD. v. THE COLLECTOR AND OTHERS, W.A.No. 905 of 2024 (M.P. High Court, Jan. 8, 2025).

⁴⁴ Indrabhushan Verma v. Collector, Madhya Pradesh High Court, Writ Petition No. 11158 of 2024 (M.P. High Court, May 8, 2024), available at <https://www.casemine.com/judgement/in/6638928090b431327113110e>.

Jabalpur and Indore. Despite the direction of High court, the collectors still fail to execute the RRC, the homebuyers again need to move and application to the High Court about the status of the Noncompliance. This persistent inaction leads to the contempt proceedings against senior officials. The Bhopal Collector summoned by MP High Court In two distinct cases of Contempt, in one instance a bailable warrant was issued against him.

These cases highlighting the grave lacunae of the RERA execution mechanism, where the RERA Promises under its objective timely dispute redressal to deliver Justice “But “Justice Delayed is Justice Denied, here the cases where the complainant having order of the RERA for respective recoveries, still they have to knock to doors of High Court for enforcing their legitimate rights which is an expensive and time-consuming affair.

IV. RERA'S ACHIEVEMENTS AND POSITIVE IMPACT

Enactment and implementation of any legislation are different affairs. RERA has undeniable played an important and transformative role in the Indian Real Estate Sector, delivering positive impact since its enactment.

In terms of Transparency, make mandatory project registration and compressive disclosure of information.⁴⁵ Online web portal played an important role by publicly displaying project details, legal documentation, construction schedules and complaint histories, enhancing trust among consumers.⁴⁶ They have access to reliable information and robust legal protections, which has made the real estate market more trustworthy for investment.⁴⁷ The Act significantly improves project timelines and poses a strong deterrence force against the fraudulent and financial mismanagement through escrow account.⁴⁸

⁴⁵ IJSSER, supra note 4

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Core Policy Suggestion

- i. Dedicated officers for recovery – The Act Under section empowers the “Appropriate Government for rule making power, which further empowers them to define "manner of recovery”. This broad delegation enables state –level RERAs to establish specialised dedicated Units for recovery of Sum of RRCs. A notable best practice can be adopted from Karnataka where the KRERA "Dedicated Revenue Recovery Units" under District Commissioners”. This move can directly address the long-standing challenges and low recovery rates faced by revenue officials due to workload.⁴⁹
- ii. Notification of “Enforcement of RRCs as a service under the Madhya Pradesh Lok Sevaon Ki Guarantee Adhiniyam, 2010(Public Service Guarantee Act 2010)Formally notifying MPRERA recovery as a public service would directly subject the designated officers i.e the revenue officers responsible for execution of RRCs as a mandatory responsibility, failure of that would incur penal liability and departmental inquiry.

V. CONCLUSION

The Real Estate (Regulation and Development) Act, 2016, was envisioned as a transformative framework to bring transparency, accountability, and consumer protection to India’s real estate sector. While it has achieved significant milestones in project registration, dispute adjudication, and consumer awareness, its enforcement mechanism, particularly under Section 40 for Revenue Recovery Certificates (RRCs), remains a critical bottleneck. The alarmingly low recovery rates across states like Madhya Pradesh, Uttar Pradesh, Haryana, and Karnataka underscore systemic failures, including overburdened revenue machinery, lack of dedicated enforcement units, and

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inadequate inter-agency coordination. These gaps have relegated RERA to a "toothless tiger," undermining consumer confidence and the Act's transformative potential.

The Gujarat RERA model, with its innovative Execution Proceedings Regulations, 2021, offers a promising blueprint by aligning enforcement with civil court mechanisms under the CPC, 1908, ensuring more effective recovery processes. However, the reliance on external agencies like revenue authorities and police, coupled with allegations of nexus and administrative inertia, necessitates broader reforms. Policy recommendations include establishing dedicated RRC enforcement units, as seen in Karnataka's approach, notifying RRC recovery as a mandatory public service under state guarantee acts, and amending Section 40 to empower RERA with direct enforcement powers.

Alternative remedies, such as the Insolvency and Bankruptcy Code or writ petitions, while viable, impose additional legal and financial burdens on consumers, defeating RERA's objective of timely justice. The persistent need for judicial intervention, as evidenced by Madhya Pradesh High Court cases, highlights the urgency of addressing these enforcement gaps. By adopting these reforms, RERA can evolve from an ornamental regime into a robust tool of consumer empowerment, fulfilling its promise of a transparent and accountable real estate sector.

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