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Registered Deeds Now Mandatory Under RajRERA: A New Compliance Precedent

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Introduction

In a significant regulatory development, the Rajasthan Real Estate Regulatory Authority (RajRERA) has issued Order No. F1(31) RJ/RERA/2019/1078 mandating that only registered partnership deeds and LLP agreements will be accepted for the purpose of real estate project registration. This directive, unprecedented among State Real Estate Regulatory Authorities, marks a decisive shift toward stricter promoter verification and legal enforceability in real estate project filings.

Legal Framework: RERA and Promoter Disclosure Obligations

The Real Estate (Regulation and Development) Act, 2016 is a central legislation enacted to enhance transparency, accountability, and consumer protection in the real estate sector. Under Section 3 of the Act, registration of a real estate project with the respective State Real Estate Regulatory Authority is mandatory where the area of land proposed to be developed exceeds 500 square meters or the number of apartments proposed exceeds eight, whichever is applicable.

The procedural requirements for registration are governed by Section 4, which specifies the information and documents a promoter must furnish at the time of application. These include details relating to the promoter's identity, legal status, and enterprise constitution, such as a partnership deed or LLP agreement, which establish the legal capacity of the entity to act as a promoter.

Additionally, the Rajasthan Real Estate Regulatory Authority, via Order No. F1(31) RJ/RERA/2019/1078, has invoked Regulation 4(1)(B)(i) of the Rajasthan Real Estate Regulatory Authority (General) Regulations, 2017. This regulation mandates submission of identity and registration certificates relevant to the legal status of the promoter. The Authority has now clarified that only registered partnership deeds or LLP agreements shall be accepted as valid proof of constitution. Unregistered documents will not suffice.

This procedural clarification strengthens documentary scrutiny under the state's RERA framework and reinforces the objective of ensuring legal accountability, transparency, and traceability of real estate promoters operating in Rajasthan.

Status of Registration Under Entity Laws

- Under the Indian Partnership Act, 1932, registration of a partnership firm is optional, not mandatory. However, unregistered firms face restrictions under Section 69, including:
  - o Inability to file suit to enforce contractual rights.
  - o Bar on claims of set-off or other legal remedies in court.
- Under the Limited Liability Partnership Act, 2008, registration with the Ministry of Corporate Affairs (MCA) is compulsory. The LLP agreement must be filed in Form 3 to complete the incorporation process.

Rajasthan RERA's Order: What Has Changed

With the issuance of Order No. F1(31) RJ/RERA/2019/1078, Rajasthan RERA now requires that:

- Partnership firms submit duly registered partnership deeds, i.e., registered with the Registrar of Firms under the Indian Partnership Act, 1932.
- LLPs submit a copy of the LLP agreement registered with the MCA under the LLP Act, 2008.

This requirement applies at the stage of real estate project registration, and non-compliance may lead to rejection or delay of the application.

This is not derived from the Indian Partnership Act or LLP Act themselves, but is a regulatory requirement imposed independently by RajRERA in exercise of its powers to prescribe procedures and ensure promoter accountability under the RERA framework.

Regulatory Rationale

The key objectives behind this directive include:

- Verifiable proof of legal constitution of the promoter entity.

- Preventing informal and untraceable promoter structures from undertaking real estate projects.
- Ensuring enforceability of the promoter's contractual obligations.
- Enhancing transparency, accountability, and investor confidence in line with RERA's overarching objectives.

This approach also ensures that any future dispute regarding ownership, management, or obligations under the partnership or LLP structure can be judicially addressed without the limitations that affect unregistered entities.

Comparison With Other States

As of July 2025, no other State RERA authority has issued an equivalent mandate. Most State RERAs, including those in Maharashtra, Tamil Nadu, Uttar Pradesh, Gujarat, and Karnataka, require promoters to submit partnership or LLP deeds as part of the application process, but:

- Do not insist on registration of the deed if the underlying business law does not mandate it (e.g., Indian Partnership Act).
- Accept unregistered partnership deeds in some cases, though this carries legal risk.

Thus, Rajasthan stands out as the first RERA authority to formally and uniformly require registered deeds as a precondition to real estate project registration.

Compliance Implications for Promoters

Any promoter seeking to register a real estate project in Rajasthan under a partnership firm or LLP must now:

- Ensure that the partnership deed or LLP agreement is executed on appropriate stamp paper as per the applicable stamp law.
- Complete registration with the Registrar of Firms (for partnerships) or MCA (for LLPs) before initiating the RERA application process.
- Upload the registered copy of the document as part of the project registration documents on the RajRERA portal.

Failure to comply may result in non-acceptance of the project registration application, potentially delaying project launch and attracting regulatory scrutiny.

Conclusion

With this directive, Rajasthan RERA has set a new compliance benchmark for the real estate sector in India. By mandating registered partnership and LLP deeds, the Authority reinforces the foundational principles of legal transparency, enforceability, and public accountability in real estate development. This move may be a model for future procedural tightening by other State RERAs, particularly as the sector matures and regulatory focus shifts toward risk-based promoter vetting.

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