

NEWSLETTER

This newsletter shares **clear, practical updates on real estate law, compliance, and due diligence**, helping buyers and property owners make informed decisions. We cover **legal changes, registration updates, and buyer-focused insights** to help you avoid risks and navigate property transactions with confidence.

◆ RERA Enforcement: Penalties Builders Face for Ignoring Orders

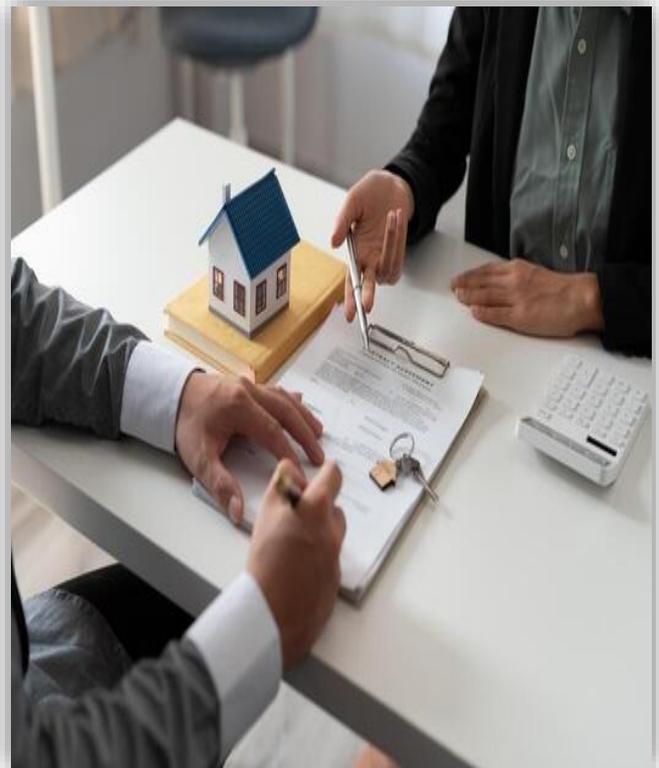
If a **builder fails to comply with an order** issued under the **Real Estate (Regulation and Development) Act (RERA), 2016**, there are strict legal consequences designed to protect homebuyers. RERA authorities can impose **daily monetary penalties** on non-compliant builders, which may total up to **5% of the project cost**. If non-compliance continues, the law allows for **imprisonment for up to three years, fines up to 10% of the project cost**, or both, especially when orders from the Appellate Tribunal are ignored. Authorities can also enforce recovery of due amounts as **arrears of land revenue**, including **seizing bank accounts or assets** and issuing **recovery certificates**. Homebuyers can initiate enforcement proceedings to compel compliance, and further legal action, such as asset disclosure or restrictions on future projects, may be imposed on recalcitrant builders.

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◆ 2026 Ancestral Property Rights Update: Equal Inheritance for All Heirs

The **2026 update on ancestral property rights** strengthens and clarifies how legal heirs can claim their share of ancestral property in India. Under the updated legal framework, **all heirs—regardless of gender or marital status—have equal rights** to ancestral property, ensuring fair and non-discriminatory inheritance. The changes make it easier for heirs to assert their legal share and promote transparency in ancestral property claims, reinforcing gender equality and empowering family members in succession matters.

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◆ Before You Pay the Token: 12 Due Diligence Checks Every Buyer Must Do- Hosted by Proplex Consulting LLP, Bangalore

In the Proplex webinar “*Before You Pay the Token: 12 Due Diligence Checks Every Buyer Must Do*”, Conducted on 30th Jan, 2026, we highlighted the **critical legal and financial checks** buyers must complete before paying any advance. The session covered key areas such as **title verification, Khata/E-Khata status, encumbrances, approvals, RERA compliance, outstanding dues, payment structure, and tax implications**. The goal was to help buyers **avoid legal risks, protect their token money, and ensure a smooth, dispute-free property transaction**.

◆ Encumbrance Certificate (EC) and Its Importance for Khata Application

An **Encumbrance Certificate (EC)** is a crucial property document issued by the Sub-Registrar that reflects all registered transactions related to a property and confirms whether it is free from legal or financial liabilities. For **Khata application or transfer**, municipal authorities rely on the EC to verify **clear title, lawful ownership, and absence of disputes or charges**. Without a valid and updated EC, Khata processing may be delayed or rejected. Ensuring a clean EC helps establish **legal transferability and marketable ownership**, protecting both buyers and property owners.

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◆ Probate No Longer Mandatory: Parliament Simplifies Will & Succession Laws in Landmark 2025 Reform

The Repealing and Amending Act, 2025 marks a major reform in India’s inheritance law by abolishing the mandatory requirement of probate under the Indian Succession Act, 1925. This change removes a colonial-era, location-specific rule that forced families—especially in former Presidency Towns—to undergo costly and time-consuming court procedures even for uncontested wills. Probate is now optional, not compulsory, making succession simpler, faster, and more uniform across India. While families may still opt for probate in complex or high-value estates, the reform significantly reduces litigation, delays, and procedural burdens, ushering in a more accessible and equitable inheritance framework.

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◆ Buying Property from NRIs Made Easier: No More TAN Requirement for Buyers

In a major compliance relief for homebuyers, the Union Budget has proposed that **resident individuals and HUFs purchasing property from Non-Resident Indians (NRIs) will no longer be required to obtain a Tax Deduction and Collection Account Number (TAN)**. Instead, buyers can deduct and deposit TDS **using their PAN**, similar to property transactions between two residents. This amendment, effective **1 October 2026**, simplifies the tax compliance process, reduces procedural burden, and eliminates the need for complex TAN registration and quarterly TDS filings, making NRI property transactions more buyer-friendly.



About Proplex:

Proplex Consulting LLP, Bengaluru, provides end-to-end legal support for property transactions, including title verification, scrutiny of ownership and revenue records, drafting and registration of Sale Deeds, Agreements, Gift/Release Deeds, Khata transfer/Registration and Conversion, B-Khata to A-Khata services, POA adjudication, and BESCOM/BBMP-related compliances. The Firm liaises with Sub-Registrar Offices, BBMP, BDA, BESCOM, and banks to ensure lawful, accurate, and timely completion of all property documentation and registration processes, with our lawyers assisting you at each step of the process.

In the event that any further clarification is required, you are requested to contact us at the number specified herein below.

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