Circular No. P/1082/2019-4 dt.17-08-2020

Sub: AP Real Estate Regulatory Authority – Certain directions issued to the Promoters/Builders regarding Registration of their projects with the Authority – Reg.

Ref: 1. Real Estate (Regulation and Development) Act, 2016

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In the reference 1st cited, the Government of India has enacted a legislation for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interests of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal etc.

In consonance with the said enactment, in the reference 2nd cited, Andhra Pradesh Government has issued rules constituting the A.P. Real Estate Regulatory Authority and the same is functioning from 27-03-2017.

Under section 3 of the Act, no promoter shall advertise, market, book, sell or order for sale or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act (where the area of land proposed to be developed exceed five hundred square meters or the number of apartments proposed to be developed are more than eight inclusive of all phases).

It is observed and noticed by the Authority that certain promoters who have obtained the Tentative Layout Permission from the competent Authorities are venturing to sell the plots without registering with the Authority on the pretext that they have not got the Final layout permission and by the time they are getting the Permanent Layout Permission all the plots in their venture were sold out and are evading from registration of their projects with the Authority.

Since the provisions of the Act are mandatory and under section 3 of the Act and section 59(1) of the Act “If any promoter contravenes the provisions of section 3, he shall be liable to a penalty which may extend up to ten percent of the estimated cost of the real estate project as determined by the Authority.

Therefore, the authority hereby directs that all the promoters/builders who have obtained Tentative Layout Permission should register their layouts with the Authority from the date of obtaining Tentative Layout Permission as per the Act without fail, otherwise penal action will be taken against them under sections 59(1) and (2) of the Act as stated above.

CHAIRPERSON