



GOA REAL ESTATE REGULATORY AUTHORITY

DEPARTMENT OF URBAN DEVELOPMENT

GOVERNMENT OF GOA

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F.No: 3/RERA/New Proj.(552)/2019/ 108

Date: 27/01/2020

Subject: Application for Registration of Project by 'Royal Developers' under Goa RERA received through Website on 15th November, 2019.

Order

Applicant 'Royal Developers' has applied for Registration of Real Estate project named 'Royal Heights' under Goa RERA through website on 15/11/2019. Alongwith his application, applicant by now has submitted all the necessary documents required under 'The Real Estate (Regulation and Development) Act, 2016 and Rules framed under the Act. However, it was observed during the security of documents that promoter has already undertaken marketing and booking of apartments before obtaining Registration which is against the provision of law.

2. Accordingly, notice was issued to Applicant and he was heard on 7/1/2020. Applicant also filed reply dated 8/1/2020 which has been taken on record.

3. It is the case of the Applicant that the said project 'Royal Developers' is under the process of RERA Registration. However, Applicant has admitted that he has taken couple of bookings before the RERA registration. The said bookings were done due to the lack of knowledge about RERA Act. Applicant has state^d that the said project is small in size wherein profit margin is very limited. Accordingly, he has stated that a lenient view may be taken in determining the penalty/fine.

4. As per Section 3 of the Act, prior registration of real estate project is essential before marketing, booking, etc. Relevant portion of Section 3 is as follows:-

“3. Prior registration of real estate project with Real Estate Regulatory Authority.- (1) No promoter shall advertise, market, book, sell or offer 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.”


Penalty for non-registration under Section 3 is also provided under Section 51(1) of the Act which reads as follows:-

“59. Punishment for non-registration under section 3.- (1) If any promoter contravenes the provision of section 3, he shall be liable to a penalty which may extend up to ten per cent. of the estimated cost of the real estate project as determined by the Authority.

(2) If any promoter does not comply with the orders, decisions or directions issued under sub-section (1) or continues to violate the provisions of section 3, he shall be punishable with imprisonment for a term which may extend up to three years or with fine which may extend up to a further ten per cent. of the estimated cost of the real estate project, or with both.”

5. A plain reading of the provisions of the Act contained under Section 3 and Section 59 provides that no promoter shall market, book or sell, etc. any plot or apartment before registering it under Act. And if he does that, he is liable for a penalty which may extend up to 10 percent.

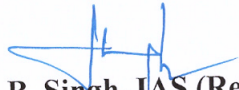
In this case, total area to be constructed is around 1813 sq. meter. Area shown as sold inventory is around 560 sq. which comes to little less than 1/3rd of total area.

 6. Applicant has admitted the violation of Section 3 but pleaded for taking a lenient view in the matter as this is a new Act and he did the bookings due to lack of knowledge. Considering the gravity of the case and pleading made by Promoter, I will like to take a genuine view and charge the penalty at the rate 3% of Estimated Cost. Estimated cost of the project as per CA's Certificate comes to 6,83,50,305 (Rupees Six Crore Eighty Three Lakhs Fifty Thousand Three Hundred

and Five) only. Penalty at the rate of 3% comes to Rs. 20,50,509/- which is rounded up as Rs. 20,51,000/- (Rupees Twenty Lakhs Fifty One Thousand) only.

7. Accordingly, Applicant (promoter) is directed to pay the penalty of Rs. 20,50,000/- (Rupees Twenty Lakhs Fifty Thousand) under Section 59 of the Act. On payment of this penalty, the project shall be registered under the Act. Applicant is further directed not to take any booking or sale of apartment or shop whatsoever it may be failing which he will be dealt as per provision of the Act and Rules made thereunder.

Order accordingly-


J. B. Singh, IAS (Retd.)
Member

To,
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