BEFORE THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, PUNE

SUO MOTU ADVERTISEMENT/ PUNE CASE NO. 06 OF 2024

MahaRERA on its own Motion

.... Complainant

Versus

(1) Supreme Holdings and Hospitality (India) Ltd. .. Respondent-Promoter Project -BELMAC RESIDENCES MahaRERA Project Registration No.P52100020497

(2) Saideep Satish Patil .. Respondent-Agent MahaRERA Agent Registration No. A52100013984

Coram: Shri.F.D.Jadhav, Dy.Secretary-Cum-Head

Appearance :-

Respondent-Promoter : C.A. Mr. Mahesh Gattani.

Respondent-Agent : Absent

ORDER

5th March, 2024 (Through Video Conferencing)

1.

MahaRERA has issued a show cause notice to the respondentpromoter calling upon him as to why penal action should not be taken against him under Section 61 and 63 of the Real Estate (Regulation And Development) Act, 2016 (hereinafter referred to as the 'Act, 2016) for publishing advertisement of the aforesaid registered real estate project on website <u>https://kharadiluxuryproperties.com/belmack-residences/indxe.html</u> wherein MahaRERA Project Registration Nos. and Quick Response (QR) Code were not included, and thereby violating the provisions of Section 11(2) of the Act, 2016 and the directions issued by the Maharashtra Real Estate Regulatory Authority under MahaRERA Order No. 46/2023, dated 29.05.2023 read with MahaRERA Order No.46A, dated 25.07.2023 and MahaRERA Order No. 46B, dated 21.08.2023.

- In response to the show cause notice, dated 21.12.2023, the 2. respondent-promoter has filed his reply dated 05.01.2024 thereby contended that the promoter has not appointed anyone owning the above website or domain to host his project details or advertise on his behalf. The promoter has further contended that he has not contracted with any such advertising agency or registered MahaRERA Agent who owns the above referred website or domain for the advertisement of his project. It is the webpage owner who has suo-motu hosted promoter's project details on his webpage. It is also contended by the respondent-promoter that the website as mentioned in the show cause notice does not open and no page is displayed. The promoter has further contended in his reply that after going through the Disclaimer & Private Policy hosted by the said webpage, it has been provided therein that "Nothing on this website constitutes advertising, marketing, booking, selling or an offer for sale, or invitation to purchase a unit in any project by the company". Which implies that they have not offered anything for sale.
- 3. On 23rd Jan. 2024 the respondent-promoter has further furnished details of the respondent-agent including Agent Registration No. and name of the firm. Therefore, notice of hearing was issued to the respondent-agent on 24.01.2024 for the virtual hearing scheduled on 06.02.2024. However, the respondent-agent did not respond to the said notice of hearing and remained absent. Therefore, again on 06.02.2024 and 20.02.2024 further notice of hearing was issued to the respondent-agent for the hearing scheduled on 20.02.2024 and 05.03.2024 respectively. The respondent-agent however, did not remain present.
- 4. C.A. Mr. Mahesh Gattani appeared on behalf of respondent-promoter. He has reiterated the contentions raised out by the respondent-promoter in his reply. Mr. Gattani has submitted that the respondent-promoter has not appointed or authorized any channel partner to publish impugned

advertisement of their project. As the website/domain mentioned in the show cause notice does not belong to the respondent-promoter, there is no any violation on the part of the promoter of any of the provisions of the Act, 2016 and breach of the MahaRERA Order No.46/2023 and 46A/2023. Lastly, Mr. Gattani prayed to waive the charges leveled against the promoter.

At this juncture, it is necessary to discuss the violation on the part of the respondent-promoter under Section 11(2) of the Act, 2016 and MahaRERA Order No.46/2023, dated 29.05.2023 and MahaRERA Order No.46A/2023, dated 25.07.2023. In this background, it is necessary to go through Section 11(2) of the Act, 2016 which reads as under:

5.

6.

Sec-11(2):- "The advertisement or prospectus issued or published by the promoter shall mention prominently the website address of the Authority, wherein all details of the registered project have been entered and include the registration number obtained from the Authority and such other matters incidental thereto."

It is the case of the respondent-promoter that he has not authorized or permitted or even not known the agent who has published impugned advertisement. The respondent-agent did not appear before this Authority though duly served with notice. Consequently, there is no alterative but to accept the contentions of respondent-promoter. In view of this it can be said that this promoter is not liable to violation of Section 11(2) as well as QR Code.

- 7. Perused the impugned advertisement. There is no registration number of the said real estate project nor there is Agent Registration number as well as QR Code is not displayed in the said advertisement.
- 8. Rule 14(2) of the MahaRERA Real Estate (Registration of Real Estate Projects, Registration of Real Estate Agents, rates of interest and disclosures

on website) Rules, 2017 (hereinafter referred to as "RULES,2017) reads as under :-

Rule-14(2) – Every registered real estate agent to quote the registration number in all the documents relating to advertisement, marketing, selling or purchase issued by the real estate agent along with the number of registration certificate of the real estate project.

- 9. It can be seen the impugned advertisement does not include the MahaRERA Registration number of the project. Therefore, prima facie there appears clear violation of Rule 14(2) of the Rules, 2017 on the part of the respondent-agent.
- 10. The impugned advertisement also does not contain the QR Code of the aforesaid real estate project. MahaRERA Order No.46B, dated 21.08.2023 clearly states that the directions issued in MahaRERA Order No.46/2023 and 46A/2023, dated 29.05.2023 and 25.07.2023 respectively shall mutatis mutandis apply to all the registered real estate agents. Further the real estate agents have been directed to prominently display QR Code on each and every real estate project promotion/advertisement published in the mediums as more specifically listed in MahaRERA Order No.46/2023, dated 29.05.2023 and failure to comply, shall be construed as violation of the directions issued by the Authority and penalty which may extend up to Rs. 50,000/- subject however to a minimum penalty which shall not be less than Rs.10,000/- under Section 65 of the Act shall be imposed upon real estate agents for each such violations.
- 11. Therefore, by publishing the said advertisement in question without mentioning MahaRERA Real Estate Project registration number and without including QR Code, manifestly shows that there is violation of Rule 14(2) of the Rules, 2017 and directions issued in the MahaRERA Order No.46B, dated 21.08.2023 read with MahaRERA Order No.46, dated 29.05.2013 by the respondent-agent.

- 12. The evidence on record indicates the violation is on the part of the Channel Partner and not the promoter. In view of this, Channel Partner only has to be held responsible for the breach of the Rule 14(2) as well as QR Code. The respondent-agent though given sufficient opportunity of being heard, remained absent and therefore, it can be said that the respondent-agent has nothing to say for violation of the provisions of Rule 14(2) of the MahaRERA Rules, 2017 and MahaRERA Order No.46/2023 read with 46B/2023 by him. As such, respondent-agent is liable for the breach of aforestated provisions of law.
- 13. In view of the above, penalty of Rs. 10,000/- under Section 65 of the Act, 2016 is imposed upon the respondent-agent for violation of Rule 14(2) of the aforestated Rules, 2017.
- 14. Further Penalty of Rs. 10,000/- is also imposed on the respondentagent for violation of the directions issued by the MahaRERA Authority by Order No.46B/2023, dated 21.08.2023 read with Order No.46/2023, dated 29.05.2023.
- 15. Both the said penalties shall be payable by the respondent-agent within 15 days from the date of this order, failing which respondent-agent shall be liable to penalty of Rs.250/- per day, in addition, till the realization of entire amount.
- 16. The Technical and Finance Department of the MahaRERA Authority shall verify the payment of the said penalty before processing any applications by the respondent agent for renewal, corrections, change of name etc., with respect to his license as a real estate agent.

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(F.D.Jadhav) Dy.Secretary-Cum-Head, MahaRERA, Pune