BEFORE THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, PUNE

SUO MOTU ADVERTISEMENT/ PUNE CASE NO. 59 OF 2024

....

MahaRERA on its own Motion

.... Complainant

Versus

1. Trust Realty Pvt. Ltd. 2. Rama Group

Respondents

MahaRERA Agent Registration No. A52100030573 MahaRERA Project Registration No.P52100022487

Name of the Project :- Celestial City Phase 2.

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

Appearance :- Mr. Navin Shah & Aarti Patil, A.R. for respondent.

ORDER

11thJune, 2024 (Through Video Conferencing)

- 1. The Advertising Standards Council of India (ASCI) has issued an intimation letter, dated 27.02.2024 and thereby intimated the respondents that the advertisement published by respondent-agent on Instagram of a real estate project under the name "Celestial City Phase 2" does not contain the MahaRERA Registration number, the MahaRERA Website address and QR Code and therefore, it is considered to be prima facie in violation of MahaRERA Act. ASCI has further directed the respondents to ensure that the said advertisement has been modified or withdrawn no later than March 06, 2024.
- Since the respondents have not complied with the directions issued by the ASCI vide intimation letter, dated 27.02.2024, the ASCI has sent mail, dated 15.03.2024 to MahaRERA and thereby referred the matter to

MahaRERA, Pune for initiating the suo-motu complaint/proceeding against the respondents for disposal according to law.

3.

On the basis of mail dated 15.03.2024 sent by ASCI, a notice of hearing has been sent to the respondents on 27.03.2024 for attending the virtual hearing, dated 16.04.2024. In response to the said notice of hearing, respondent-promoter has furnished his reply, dated 31st May, 2024, whereby the respondent-promoter has contended that he has acknowledged that the advertisement contains MahaRERA Registration number, however, it does not contain the QR Code and MahaRERA website address as mandated in the MahaRERA Act. The respondentpromoter has further contended that corrective measures have been taken in this regard. It is further contended by the respondent-promoter that he has mandated all the Channel Partners, Agents to be doubly assured that the advertisement contains MahaRERA Registration number, QR Code and MahaRERA website resulting in omission of any inadvertent errors in the The respondent-promoter lastly apologies and assured future as well. that necessary action has been taken and he always remain committed to MahaRERA Compliances in the prescribed formats.

4. The respondent-agent has furnished his reply, dated 11.06.2024 wherein he has apologized for the same and has further submitted that he has already taken steps to rectify the issues as he has deleted the advertisement from instagram on immediate basis.

5. Mr. Ajay Kalaskar has appeared on behalf of respondentpromoter and has reiterated the contentions raised by the respondent in his reply. Mr. Ajay Kalaskar argued that the promoter has already instructed all his channel partners to see that MahaRERA project registration number, QR Code and website address is displayed in a advertisement before its publication. The respondent-promoter further submits that the impugned advertisement is published by the respondent-agent and not by the promoter and therefore, there is no violation on the part of the promoter of any provisions of the Act, MahaRERA Rules, Orders and directions issued by the Authority time to time.

- 6. Mr.Navin Shah and Aarti Patil, A.R. appeared on behalf of respondent. Mr. Navin Shah has voluntarily admitted the charge leveled in the notice and stated that this is his first mistake, and requested to waive the charges without penalty.
- 7. Perused the intimation letter, dated 27.02.2024 issued by ASCI to respondent-agent and promoter. Also perused the impugned advertisement issued by respondent-agent on record. So far as the charge under Section 11(2) of the RERA Act, 2016 is concerned, it is necessary to go through the said provision in the first instance. Section 11(2) is reproduced hereunder for the sake of brevity.

"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".

8. In the present case, the respondent-promoter denies to have published the said impugned advertisement by him and has contended that it has been published by the respondent-agent. The respondent-agent has also voluntarily admitted to have published the impugned advertisement. In view of this admitted fact, Respondent-promoter is not liable for impugned advertisement. Likewise, it can be said that he has not violated provision of Section 11(2) of the Act, 2016.

Section 11(2) mandates the promoter to include/mention the website address of the Authority containing all details of the registered project including the registration number obtained from the Authority. Thus this provision castes duty on the promoter to comply with its all requirements mentioned thereunder. However, in this matter the impugned advertisement has been published by the respondent-agent. Therefore, this respondent-promoter is not at any fault or he has not contravened provision of Section 11(2) of the Act, 2016.

9.

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MahaRERA has issued Order No. 46B/2023, dated 21.08.2023 as 10. well as MahaRERA Order No. 46/2023, dated 29.05.2023 in regards to display of QR Code in advertisements relating to real estate projects. By Order No. 46/2023, MahaRERA has introduced QR Code for each MahaRERA Project to assist homebuyer to get project related information easily and issued certain directions viz. (i) the promoter shall prominently display Quick Response ("QR") Code on each and every project promotion/advertisement published after "1st August, 2023"; (ii) the QR Code must be published in a manner that is legible, readable, and detectable with software application and (iii) the QR Code must be published besides the MahaRERA Registration number and the Website The mandates to be applied to the mediums of the address. promotion/advertisement and in any other medium have also been given MahaRERA Order No.46B/2023, dated 21.08.2023 in the said order. states that the directions issued in the MahaRERA Order No.46/2023, dated 29.05.2023 shall mutatis mutandis apply to all the registered real estate agents. The penalty for violation of the said directions has also been prescribed by the said MahaRERA Order No.46B/2023.

The documentary evidence on record such as advertisement published on Instagram coupled with the voluntary admission of respondent-agent sufficiently proves that the impugned advertisement does not contain the QR Code. It impliedly shows that the respondentagent has violated the directions issued by MahaRERA vide Order No. 46B/2023 read with Order No.46/2023. As it is proved beyond reasonable doubt that respondent-agent has violated MahaRERA Order No. 46B/2023 r.w. Order No. 46/2023, penalty under Section 65 of the Act, 2016 has to be imposed in this case against the respondent-agent.

12. The charge of violation of Rule 14(2) of the Rules, 2017 by the respondent-agent is framed in the matter. Rule 14 of the Maharashtra 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 the "MahaRERA Rules, 2017) deals with obligation of registered real estate agents. Rule 14(2) reads as under :-

"14(2) Every registered real estate agent shall quote his number of their registration 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."

- 13. On careful perusal of impugned advertisement, it appears that the said advertisement contained the Registration number of the real estate agent i.e. present respondent-agent. However, it does not contain the registration number of the real estate project. Consequently, the impugned advertisement can be said in violation of Rule 14(2) of the said MahaRERA Rules, 2017.
- 14. Considering the entire evidence on record, it can be said the violation of 46B/2023, dated 21.08.2023 read with MahaRERA Order No. 46/2023, dated 29.05.2023 on the part of the respondent-agent has been proved beyond reasonable doubt. It also proves violation of Rule 14(2) of the MahaRERA Rules, 2017 by the respondent-agent. In this backdrop, the

penalty provisions of Section 65 of the Act, 2016 will have to be invoked in this matter for the purpose of imposition of penalty.

- 15. In view of the above, penalty of Rs. 20,000/- is imposed on the respondent-agent under Section 65 of the Act, 2016 for committing breach of the MahaRERA Order No. 46B/2023 read with MahaRERA Order No. 46/2023.
- Further penalty of Rs.20,000/- is imposed on the respondent-agent under Section 65 of the Act, 2016 for violation of Rule 14(2) of the Rules, 2017.
- 17. The said penalties shall be payable by the promoter within 15 days from the date of this order, failing which respondent-agent shall be liable to penalty of Rs.250/- per day (for each count), in addition, till the realization of entire amount.
- 18. 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 registration as a real estate agent.

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