BEFORE THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, PUNE

SUO MOTU ADVERTISEMENT/ PUNE CASE NO.102 OF 2023

MahaRERA on its own Motion

Complainant

Versus

1.

360 Realty LLP MahaRERA Agent Registration No. A51900000246 Respondent New Launch Aundh (Unregistered Project)

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

Appearance :- Adv. Deiksha Kapur for respondent.

ORDER 20th October, 2023 (Through Video Conferencing)

The present case has been initiated by MahaRERA suo-motu against the real estate agent for publishing advertisement of real estate project Aundh" website Launch his on "New https://www.newlaunchinaundh.org.in/, wherein the respondent-agent has advertised the project which is not registered with MahaRERA and thereby violating the provision of Section 10(a) of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "Act, 2016) and Rule 14 of the Maharashtra Real Estate (Regulation & Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rate of Interest and Disclosures on Websites) Rules, 2017 (hereinafter referred to as "Rules, 2017). By publishing the said advertisement, the respondent-agent has also violated the direction issued by the Maharashtra Real Estate Regulatory Authority under MahaRERA Order No. 46B/2023, dated 21.08.2023 read with Order No.46/2023, dated 29.05.2023.

In pursuance of the aforesaid advertisement and in exercise of the powers delegated by MahaRERA under Section 81 of the Real Estate (R & D) Act, 2016 (hereinafter called as "Act 2016") vide No. MahaRERA/Secy/SCN/1142/2023, dated 24.08.2023, show cause notice, dated 08.09.2023 has been issued to the respondent-agent calling upon him as to why necessary action should not be taken against him for imposing penalty under Section 65 read with MahaRERA Order No.46B/2023, dated 21.08.2023 and MahaRERA Order No.46-A, dated 25.07.2023.

The respondent-agent has filed his reply, dated 14.09.2023 wherein it has contended that the advertisement is not in respect of any specific project but a generic advertisement for the location of Aundh. The captioned title of the advertisement only portrays the potential launch in the location Aundh being a future investment opportunity for their clients and it is providing a futuristic idea of the same and hence there is no mention of the RERA Registration Number in the advertisement. The respondent-agent further contended that no specific developer has been advertised on their website. The respondent-agent has also contended that the compliance of order No. 46B does not apply on the stated project.

On receipt of reply by the respondent-agent, Notice of hearing, dated 03.10.2023 was issued to the respondent-agent, whereby he was asked to attend virtual hearing on 20.10.2023. Respondent-agent appeared in the matter through Adv. Deiksha Kapur. She has reiterated the contentions raised by the respondent-agent in his reply. Adv. Deiksha Kapur admitted to have issued the impugned advertisement without including QR Code and prayed for leniency.

Section 10(a) of the Act, 2016 is relevant in this mater, which reads as under :-

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"Section 10. Every real estate agent registered under Section 9 shall

(a) not facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being sold by the promoter in any planning area, which is not registered with the Authority."

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6. Rule 14 of the Rules 2017 reads as under :-

"Rule 14. - Obligations of registered real estate agents :-

(1) Every registered real estate agent shall prominently display number of his Registration Certificate at the principal place of his business and at its branch offices.

(2) Every registered real estate agency shall quote his number of all 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."

7. Order 46B issued by MahaRERA, dated 21.08.2023 specifically contends that directions issued by the Authority in Maharashtra 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, and in view thereof with effect from the date of coming

into force of this order, the directions issued therein shall be followed by every real estate agents.

8. Heard Adv. Deiksha Kapur for respondent-agent. Perused the impugned advertisement. The impugned advertisement contains as many as 52 amenities like clubhouse, mediation centre, shopping centre, indoor games, kids play area, swimming pool, gym, food court, cafeteria, landspace garden park, intercom, firefighting equipment, power backup, rain water harvesting, 24 hour water supply, Wi-fi connectivity, property staff, car parking, Vastu complaint, day care centre, theatre, multipurpose hall, waiting lounge, conference room, golf course, restaurant, paved compound, video security, water plant, sewage treatment plant, piped gas, Laundromat, ATM, Lift, escalators, 3 tier security, crèche, nursery school, kabana, convenience stores, religious building, 24x7 security, basketball court, earthquake-resistant, jogging track, maintenance staff, tennis court, terrace garden, organic farm, mediation terrace, rooftop infinity pool. It also contains key features like double height entrance lobby, 45,000 sq. ft. of centrally planned amenities, large gated community, 2, 3 & 4 bedroom residences, an expensive and exclusive green boulevard, modern art deco-inspired faclcade, 3 clubhouses, vehicle free amenity spaces, well defined parking spaces. The advertisement also contains master plan & floor plan of 2 BHK type and 3 BHK type and also contains price from Rs.85.00 Lac to Rs.1.00 Cr. and the booking amount shown as 10%. The advertisement also contains location map in Aundh. The advertisement also suggest the clients/purchasers to send message of their name and email address and also provides phone number for calling the respondent-agent.

9. In fact, the advertisement itself is a vague advertisement of a project, which is not in existence or even not registered with the Authority. As admitted by the respondent-agent, the advertisement is a generic and it is a futuristic idea. However, this advertisement definitely attracts and invites the purchaser to invest the amount in attractive scheme, which is

not at all in existence as on today. Inviting the public at large by way of such advertisement published by the respondent-agent may create several problems and may attract litigations, both civil as well as criminal. The impugned advertisement does not include any registration certificate of any real estate project. Considering the impugned advertisement therefore, definitely facilitates purchase of apartments in real estate project or part of it, being sold by the promoter, which is not registered with the MahaRERA Authority, and thus in violation of Section 10(a) of the Act, 2016 read with Rule 14 (2) of the Rules, 2017.

As stated above, Order 46B specifically contends that Order 10. 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. By Order 46/2023, MahaRERA has introduced Quick Response (QR) Code for each registered real estate project to assist home buyers/allottees to get real estate project information. By Order No.46/2023, specific directions are issued to the promoter that he shall prominently display Quick Response (QR) Code on each and every project information/advertisement published after 1st August, 2023. The direction (a) issued in the said Order No.46B/2023 that the Real estate agents shall prominently display QR Code on each and every real estate project promotion/advertisement published in the mediums as more specifically listed in MahaRERA Order 29.05.2023 i.e. fourth mandate which is No.46/2023, dated Website/webpages of Projects. Therefore, it is obligatory on the part of the respondent-agent to confirm that the real estate project of which is going to publish advertisement, is registered project with MahaRERA and whether the promoter has displayed the QR Code of such project, so that it will assist the homebuyers to get project related information easily. In absence of display of any QR Code in the impugned advertisement, it can be said that the respondent-agent has not complied with the directions issued by MahaRERA Authority in Order No.46B read with Order No.46.

11. Thus taking into consideration the aforesaid facts on record as well as law and admission by respondent-agent for publishing the impugned advertisement, this is a fit case to impose penalty under Section 62 of the Act, 2016 for violation of provision of Section 10(a) read with Rule 14 of the Rules, 20017 and also under Section 65 of the Act, 2016 for violation of the Order No. 46/2023, dated 29.05.2023 read with Order No.46B/2023, dated 21.08.2023 issued by the MahaRERA.

- 12. In view of above, the penalty of Rs.25,000/- is imposed upon the respondent-agent under Section 62 of the Act 2016.
- 13. Further the penalty of Rs.25,000/- is also imposed upon the respondent-agent under Section 65 of the Act 2016.
- 14. Both the penalties imposed hereinabove shall be payable by the promoter within a period of 15 days from the date of this order, failing which a further penalty of Rs.250/- per day on each count, in addition, would be imposed till the realization of entire amount.
- 15. The Technical and Finance Department of the MahaRERA Authority shall verify the payment of both the said penalties before processing any applications by respondent-agent for renewal, corrections, change of name etc.; with respect to his registration with MahaRERA.

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