

# RERA restricts 'errant' builder from operating bank account, begins probe

HT Correspondent

htpatna@hindustantimes.com

**PATNA:** The Real Estate Regulation Authority (RERA), Bihar, has begun an inquiry into the working of Patna Green Housing Private Limited and restricted the company from operating its bank account till further orders. This is the first action initiated by the regulatory authority against erring builders not conforming to rules.

In its order issued on Saturday, RERA also restricted the company developing 'Metro Green City' at Siwala, Naubatpur, on the outskirts of the state capital, from taking booking of plots, shops or duplex bungalows under the project.

Officials said the company, with Bhushan Kumar Singh and



**RERA OFFICIALS SAID THE COMPANY HAD FAILED TO PROVIDE RELEVANT DOCUMENTS SOUGHT BY THE REGULATORY AUTHORITY FOR GRANTING RERA REGISTRATION NUMBER**

Ritu Kumari as its directors, had failed to provide documents sought by the authority for granting RERA registration number.

"We found that the company

operating for last three years had no balance sheets or finance statements. But they were collecting money from buyers by selling plots. The company was served show cause notices but they failed to give satisfactory replies. So, we have initiated action against them," said RB Sinha, member, RERA.

Sinha said the company's account in State Bank of India was also being checked. "If the account mentioned by the firm in its online application for registration is found non-functional or fake, we will initiate further action against the company," said Sinha, adding that inquiry into the company's affairs had been initiated as per section 35(1) of RERA rules.

Till July, RERA has served

show cause notice to 88 builders/promoters, majority of whom are based in Patna, for not complying with RERA Act and rules. Many firms operating in Bhagalpur, Muzaffarpur, Ara, Aurangabad and Hajipur have also been served show cause notices.

"Most of the builders and promoters do not have proper financial accounts indicating how the real estate players are engaged in murky deals and duping customers. We have also found promoters channelising their funds to different projects just to collect more money from customers without caring much about completing the projects on time. Only those projects having proper documents are being given RERA registration number," said a senior officer of the authority.