

REAL ESTATE REGULATORY AUTHORITY, BIHAR

Before the Single Bench of Mr. S.D. Jha, Member

Case No: RERA/SM/479/2021

Authorised Representative of RERA

...Complainant

Versus

M/s. Youth Homes & Developers Pvt. Ltd.

...Respondent

Project: New York Hamlet

04.10.2024

ORDER

Real Estate Regulatory Authority, Bihar issued a suo motu show- cause notice on 31.03.2021 to the Director of the respondent company for contravention of section 3 of the Real Estate (Regulation & Development) Act 2016 by advertising, the project New York Hamlet through the brochures on website without registering the project with RERA, Bihar. The promoters were directed to show cause as to why proceedings under Section 35 & 59 of the Real Estate (Regulation & Development) Act 2016 may not be initiated against them.

On 01.04.2021 an Interim Order has been passed where the Authority directed that until further order, all bank accounts of M/s. Youth Homes & Developers Pvt. Ltd and their Director/ Directors (i) Panna Raj (Director) (DIN No:- 08973590), (ii) Rishav Sinha (Director) (DIN No:-08420377); shall be frozen with immediate effect and IG Registration is also requested to issue necessary directions to all DSRs/Sub- Registrars, including Patna/Phulwarisharif/Danapur not to register any apartment/plot of project "New York Hamlet" and any other project of M/s. Youth Homes & Developers Pvt. Ltd. till further order.

Perused the records. The promoter submitted a reply dated 15.04.2021, stating that they were negotiating with local farmers to start a project named *New York Hamlet* and to ensure that the land for the proposed project was free from any defects or litigation. To this end, the respondent advertised the project through billboards on the proposed project land and on social media for due diligence. Upon receiving notice that these advertisements were in violation of the RERA Act, all advertisements were immediately withdrawn from social media.

On 28.09.2024, the respondent filed a supplementary affidavit stating that the company had attempted to acquire the plots for the project but, due to unavoidable reasons, could not acquire the said land, and the project was dropped. It was further mentioned that the project was never initiated on the ground, but at the time, the initial estimated cost of the project was around Rs. 15,00,000/-. The respondent prayed for the condonation of the inadvertent and unintentional mistake and requested that if the Hon'ble Authority decides to penalize the respondent, leniency be exercised in imposing such a penalty. The respondent also requested that the freeze on the company's bank accounts be vacated.

The learned counsel for the complainant submitted that the project of the respondent company was dropped, but the company advertised the project on social media without obtaining registration of the project with RERA Bihar. Therefore, a penalty may be imposed for the violation of Section 3 of the RERA Act.

The Authority takes note that under the first proviso of Section 3 of the Act, all the ongoing real estate projects were required to register by 31st July, 2017 with the Real Estate Regulatory Authority, Bihar. Further, section 3 of the Act provides that no promoter can 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 within a State, without registering the real estate project with the Real Estate Regulatory Authority (RERA) established under this Act.

The term Advertisement has been defined in the section 2 (b) of the Act as follows: "Advertisement means any document described or issued as advertisement through any medium and includes any notice, circular or other documents or publicity in any form, informing persons about a real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase in any manner such plot, building or apartment or to make advances or deposits for such purposes."

Thus, it is established that the respondent company has advertised their project without registering the project with the Authority and thereby violated the provisions of Section 3 of the Real Estate (Regulation & Development) Act, 2016.

Since the respondent company has contravened the provisions of section 3 of the Real Estate (Regulation and Development) Act, 2016 by advertising their project "New York Hamlet " without

registering it with the Real Estate Regulatory Authority, Bihar, the Authority has decided to levy a penalty as per section 59(1) of the RERA Act, 2016. The penalty amount is Rs.15,000/- which is 1% of the total estimated cost of the project as submitted by the respondent company on affidavit. This amount is to be paid by the respondent company within sixty days of the issue of this order. Further, all bank accounts of M/s. Youth Homes & Developers Pvt. Ltd and their Director/ Directors (i) Panna Raj (Director) (DIN No:- 08973590), (ii) Rishav Sinha (Director) (DIN No:-08420377); shall be unfrozen with immediate effect under intimation to the authorities concerned.

With these directions, the matter is disposed of.

**Sd/-
S.D. Jha
Member
RERA Bihar**