

**BEFORE THE HARYANA REAL ESTATE REGULATORY  
AUTHORITY, GURUGRAM**

Complaint no. : 1358 of 2021  
Date of first hearing : 18.03.2021  
Date of decision : 11.10.2021

HARERA, Gurugram  
R/o New PWD Rest House, Civil Lines,  
Gurugram

**Complainant**

**Versus**

Smart World Developers  
Sector-62, Golf Course Road Extn.,  
Gurugram

**Respondent 1**

M3M India Pvt Ltd  
6<sup>th</sup> Floor, M3M Tee Point,  
Sector-65, Gurugram Manesar Urban Complex,  
Gurugram 122102

**Respondent 2**

M/s Suposhaa Realcon Pvt Ltd  
Unit no. SB/C/2L/Office/017A,  
M3M Urbana, Sector 67,  
Gurugram 122102

**Respondent 3**

**CORAM:**

Shri KK Khandelwal  
Shri Samir Kumar

**Chairman  
Member**

**APPEARANCE:**

Ms. Shriya Takkar

Advocate for the respondent

Sh. Vineet Maheshwari  
Ms. Anisha Mitra

VP Legal for the respondent  
Manager Legal for the  
respondent

**ORDER**

1. The present matter relates to the violation of section 3(1) of the Real Estate (Regulation and Development) Act, 2016 wherein it is inter alia prescribed that no promoter shall advertise, market, book, sell or offer for sell 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 without registering the real estate project with the Real Estate Regulatory Authority established under the Act.
2. The particulars of the project have been detailed in the following tabular form:

S.No.	Heads	Information
1.	Project name and location	"Smart World", Sector 61, Gurugram
2.	Area of project	Over 25 acres
3.	Nature of the project	Residential floors
4.	No. of units in the project	800 units



5.	Registered/ not registered	Not registered
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3. It has come to the notice of the authority that an advertisement has been published on online portals and social media forums i.e., <https://www.axiomlandbase.in/smart-world-developers-sector-61-gurgaon/>, <https://in.linkedin.com/company/smart-world-developers>, <https://smartworldfloors.in> and you tube etc. for selling of low rise residential floors in the residential floors project named "Smart World" situated in Sector-61, Gurugram. In pursuance of the same, the project site was visited by the team of engineers of the authority, and it was observed that canopies have been placed outside the project site along with hoardings for the purpose of marketing the project. However, it was also observed that RERA registration number/website address, which is a mandatory condition precedent to market, advertise or to sell any real estate project were not mentioned on any of the advertisements, either it be the advertisements on social media, online portals or on the canopies and the hoardings.



4. The advertisements clearly states **“Introducing Smart World Developers in collaboration with M3M India”**. It further describes that **“we are an international real estate entity based out of Singapore-now entering India. We have partnered with some of the strongest financial and land partners in India. Smart World is set to blaze new trails in Gurgaon, Pune and Mumbai. Gurgaon project “Smart World” is in collaboration with M3M India”**.
5. As mentioned in the advertisements, **“Smart World Developers, sector 61, Gurgaon is a world class low floor residential offering which is crafted to offer perfect blend of comfort and tranquillity”**. The advertisements further states that **“Smart World Developers, sector 61, Gurgaon is sprawled over 25 acres land that has about 20000 sq.fts, sixed clubhouse and has 800 units built on it”**.
6. As per section 3(1) of the Real Estate (Regulation and Development) Act, 2016, prior registration of real estate project with the Real Estate Regulatory Authority is mandated. However, the promoter has neither registered the project nor applied for registration of their real estate project with the Haryana Real Estate Regulatory Authority, Gurugram till date.



This advertising, marketing, booking, selling or offering for sell or inviting 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 without registering the real estate project with the Real Estate Regulatory Authority established under this Act is violation of section 3 (1) of the Act ibid which provides as under: -

*"No promoter shall 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, without registering the real estate project with the Real Estate Regulatory Authority established under this Act.*

7. Further, in order to substantiate and corroborate the content of the advertisement, representatives of the authority visited the promoter's sales office/gallery, located at golf course extension road, as dummy purchasers for booking two units in the project as advertised. The representatives were attended by the employee of promoter i.e., Mr. Rohit Rawat, Assistant General Manager- sales at Smart World Developers, and Mr. Viplove Bareja a real estate agent (Time Infra). In pursuant to this, Mr. Rohit Rawat showed a small documentary video



regarding the development of the project. This visual display described in detail how the residential floors will look and what common facilities will be available and how the landscape will provide scenic delight to the residents in future.

8. Based on the above virtual tour of future project of the promoter, one of the dummy purchaser of the authority expressed his intention to book two units in their aforesaid project, and accordingly the representative of the authority was asked to fill and sign a vague and ambiguous document namely "Expression of Interest" which was addressed to "M/s Suposhaa Realcon Pvt. Ltd", wherein there was no mention of the project name, RERA registration no. or for that matter even license no., though it was misrepresented in the document that the project has received an occupation certificate from the competent authority. The representative of the authority signed this document for booking two units, as shown to him in the video displayed by Mr. Rawat and gave an advance booking amount of Rs 10,00,000 in two cheques in favour of "SRPL Smart World A/c". The two "Expression of Interest" bearing EOI No(s) 133 and 134 and the copy of the cheques



given as booking amount bears an endorsement by Mr. Rohit Rawat.

9. Accordingly, a show cause notice no. RERA-GRG-1358-2021 dated 05.03.2021 to Smart World Developers, M/s M3M India Pvt Ltd and M/s Suposhaa Realcon Pvt Ltd was issued for above violations of the Real Estate (Regulation and Development) Act, 2016.

10. All the three respondents i.e., Smart World Developers, M/s M3M India Pvt Ltd and M/s Suposhaa Realcon Pvt Ltd have appointed M/s Artlo to be the advocates in the above noted case. Therefore, Ms. Shriya Takkar (Advocate of M/s Artlo) on behalf of all the three respondents had submitted a reply in the authority on 23.04.2021. The reply submitted by the respondents is briefed further;

**i) Smart World Developers**

The promoter had submitted the reply stating that they are incorporated for real estate activities and applied for trademark "Smart World". The company has not finalized any project till date to be developed individually or in collaboration. The company is advertising itself through website and print media only for the purpose of creating goodwill in the market and is not related to any specific project and/or for the purpose of offering sale in any project. The company is conducting survey in the market



for viability of project and their price. The company had entered into a brand usage arrangement with M/s Suposhaa Realcon Pvt. Ltd. and as on date hundred percent shareholding of the company M/s Suposhaa Realcon Pvt. Ltd. stands transferred in the name of Smart World Developers. Further no collaboration agreement has been entered between Smart World, M3M and Suposhaa. The company is showing various demonstrations to public at large for testing the pulse of market and viability of project through their employees. As on date no such project has been finalized by the company, for which the company would first require necessary approvals from concerned authorities and then apply for RERA registration. Further the advertisement being issued on websites mentioned in the notice are being advertised by third party or brokers not by the company and the company has issued legal notice for such illegal acts and violations and is in the process of taking legal proceedings in the appropriate court of law.

Further the promoter had submitted another reply on 19.08.2021 stating that the advertisements are being published by third parties over whom the promoter didn't have any control. The promoter has filed civil suit bearing no. CS/2306/2021, CS/2307/2021, CS/2310/2021, CS/2313/2021, CS/2314/2021 and CS/2315/2021 before the civil court of competent jurisdiction for permanent injunction against the third parties.

**ii) M/s M3M India Pvt. Ltd.**

The promoter stated that the company has no connection with the facts detailed in the notice. The company is neither the landowner nor the collaborator in the said project and thus not a necessary party to the proceedings.

**iii) M/s Suposhaa Realcon Pvt. Ltd.**





The promoter stated that the company is in the business of real estate and acquire RERA registered projects which have received occupation certificate and then sell/lease the same. The company has brand name sharing arrangement with Smart World Developers for brand name "Smart World". Further the company has general purpose bank account SRPL Smart World A/c being used for its business. During such business the buyers come, understand the project and submits the EOI wherein sometime detail of project is not mentioned. Further the company has received the EOI through broker i.e., Chahat Homes Infotech Pvt Ltd. not directly by the company and the EOI has been entered for the project for which occupation certificate has been received. As the knowledge of company there is no project in the name "Smart World" in existence, hence there is no question of the same being sold by the company.

11. The counsel for the respondents appeared before the authority and made submissions that reply dated 23.04.2021 to the show cause notice under reference No. RERA-GRG-1358-2021 dated 05.03.2021 may be considered and that they have nothing more to say in the matter. The counsel on behalf of respondents were categorically asked whether they are advertising the project or not and they replied that the company is conducting survey in the market for viability of project and their price. Further, the company is showing



various demonstrations to public at large for testing the pulse of market and viability of project through their employees.

12. On consideration of the circumstances, the evidence and other record and submissions made by the promoter during the course of hearings, the authority is satisfied that the promoter has violated the provisions of section 3(1) of the Real Estate (Regulation and Development) Act, 2016. This omission of the promoter is punishable under section 59 (1) of the Act *ibid*. Section 59(1) of the Act is reproduced below: -

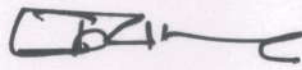
*"If any promoter contravenes the provisions of section 3, he shall be liable to a penalty which may extend up to ten per cent. of the estimated cost of the real estate project as determined by the Authority."*

13. Therefore, the authority in the light of the above-mentioned reasons decided to impose a penalty of Rs. One crore fifty lakh (1,50,00,000/-) on the respondents to be shared equally i.e., Fifty Lakhs (50,00,000/-) on each respondent (i.e., Smart World Developers, M3M India Pvt Ltd and Suposhaa Realcon Pvt Ltd) which shall be deposited with the authority within one month and shall be credited in the government account within a prescribed period as per rules. The promoter is also

directed to file an application for registration of the project in the authority and stop all illegal activities like advertising, marketing, booking, selling of apartments in the project till the project get registered with authority.

14. The matter stands disposed off.

  
**(Samir Kumar)**  
Member

  
**(Dr. KK Khandelwal)**  
Chairman

Haryana Real Estate Regulatory Authority, Gurugram  
Dated: 11.10.2021



**HARERA**  
**GURUGRAM**

