

REAL ESTATE REGULATORY AUTHORITY, BIHAR
Before the Single Bench of Mr. Ved Prakash,
Special Presiding Officer

Case No: RERA/SM/159/2018

Authorised Representative of RERA

...Complainant

Versus

M/s. Pragma Engicon & Property Pvt. Ltd.

..Respondent

Project: Shangri-LA, Phase- II

Present: For Authority : Shri. Ankit Kumar, Advocate.

For Respondent: Shri Mohit Kumar, Advocate.

22.01.2025

ORDER

1. The Real Estate Regulatory Authority, Bihar, issued a suo motu show-cause notice on 30.07.2018 to the Director of the respondent company for contravening Section 3 of the Real Estate (Regulation & Development) Act, 2016, regarding the project " Shangri-LA, Phase- II," for not registering the project with RERA, Bihar. The promoter was directed to show cause as to why proceedings under Section 59 of the Real Estate (Regulation & Development) Act, 2016, should not be initiated against them.
2. The records were perused, and the promoter submitted a reply dated 30.07.2018, stating therein that Shangri-La, Phase-II, is an upcoming project. Currently, the promoter is in the process of acquiring the land. Another reply was filed on 11.09.2023, stating in paragraph 6 that the suo-motu notice is not maintainable before the Hon'ble Authority, as the present complaint, at the stage of filing, has violated the rules and regulations of the RERA Act, 2016. It was further stated that the respondent company is not involved in any sale or purchase of the real estate sector. Additionally, it was stated that the respondent company filed an application for RERA registration on 01.10.2019, but due to certain reasons, the project was dropped. The respondent company has, therefore, prayed for the dismissal of the present case based on its submissions.
3. Upon reviewing the records and considering the facts, it is evident that after the enactment of the RERA Act, 2016, the present non-registered project, Shangri-La, Phase-II, is an

ongoing project. Consequently, a show-cause notice dated 30.07.2018 was issued to the promoter. Following the initiation of the suo-motu proceedings, the respondent company applied for the registration of the project on 01.10.2019 as a new project, despite the fact that the present project was already an ongoing one.

4. Paragraph 2 of Section 3 of the RERA Act, 2016, states: *" Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:."*
5. Furthermore, it is noted that the submission made by the respondent company in its reply is self-contradictory. In paragraph 6, the respondent admitted that the suo-motu notice is not maintainable before the Hon'ble Authority, as the present complaint, at the stage of filing, violated the rules and regulations of the RERA Act, 2016. Additionally, the respondent company claimed that it is not involved in the sale or purchase of real estate.
6. If the respondent company is not engaged in any sale or purchase in the real estate sector, then why did it apply for project registration on 01.10.2019. Furthermore, the reply dated 30.07.2018 explicitly states that Shangri-La, Phase-II, is an upcoming project.
7. In light of the above observations, it is concluded that the respondent company has violated Section 3 of the RERA Act, 2016 by failing to register the ongoing project after the enactment of the Act with the Real Estate Regulatory Authority, Bihar. Consequently, the Authority decides to impose a penalty under Section 59(1) of the RERA Act, 2016.
8. Hence, the penalty amount of Rs. 1,00,000/- is imposed on the respondent company, which constitutes 1% of the total estimated cost of the project, as submitted by the respondent company at the time of registration, which is Rs. 1 Crore. This amount must be paid by the respondent company within sixty (60) days from the issuance of this order.

With these directions, the matter is disposed of.

Sd/-

**Ved Prakash
Special Presiding Officer**