

REAL ESTATE REGULATORY AUTHORITY, BIHAR

**Before the Bench of Hon'ble Inquiry Commissioner, Mr.Sanjaya Kumar Singh, RERA,
Bihar**

RERA/SM/688/2025

Authorised Representative of RERAComplainant

Vs

M/s Soumyvinayak Construction Pvt Ltd.Respondent

Project: Yugraj Residency

**Present: For Complainant: Ms Ojaswi Ishani, Advocate
For Respondent: Mr. Punit Kumar, Advocate**

16/03/2026

ORDER

1. Hearing taken up Ms. Ojaswi Ishani, learned counsel for the complainant/ Authority is present. Mr. Punit Kumar, learned counsel for the respondent is also present.
2. The present proceeding has been initiated against the respondent-promoter under Section 35 and Section 59 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act"), for the non-registration of the Project "Yugraj Residency". Accordingly, a preliminary notice dated 15-11-2024 was issued to the respondent by registering a suo-motu case, seeking an explanation by a subsequent show cause notice on 01-04-2025.
3. The aforementioned case was initiated on account of the fact that the construction of the impugned project continued unabated despite the rejection of registration application and issuance of *Form-D* issued in relation to the above-mentioned project, which was applied for registration. It was revealed that the project was being developed by the respondent, which *prima facie* indicates that the same was being developed in contravention of the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act"),

4. During the course of investigation, it was detected that despite a lapse of several years, no application for registration of the impugned project was filed at RERA and registration taken accordingly from RERA as mandated under the provisions of the Real Estate (Regulation and Development) Act, 2016. Based on the above, the authority issued a Show Cause Notice to the promoter for contravention of Sections 3 of the Act.
5. The respondent has filed a reply dated 15.05.2025 stating that the project, namely Yugraj Residency, situated at Jaganpura, Sampatchak, Patna, was an envisaged project proposed by the respondent, for which an application for registration under RERA was submitted. However, the same was rejected on the ground that the building plan had not been approved by the competent authority.
6. The respondent further submits that, owing to the aforesaid reasons which compelled the respondent to halt construction of the project, certain bookings had been made. However, the same have since been settled by way of refunds. It is further contended that the construction of the project is presently being undertaken at the expense of the company, and that the company and the landowner are utilizing their respective shares for personal use. In support of these contentions, the respondent has placed on record a Chartered Accountant's certificate, bank statements, and an affidavit of the Chartered Accountant declaring that the premises are intended for personal use.
7. The learned counsel appearing on behalf of the respondent, in the proceedings dated 15.05.2025, submitted that the said project was rejected on the ground that it was situated outside the

planning area, and for the same reason, the project was kept in abeyance and no fresh application for registration has been made. It was further submitted that no construction has been carried out on the said plot, which lies outside the planning area.

8. The legal representative of complainant-Authority submits that the reply filed by the Respondent is evasive, and not with any proper supported evidence, and therefore fails to address the fact regarding violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016 committed by the Respondent.
9. The legal representative of Authority submits that the respondent had earlier submitted application for registration of their project “Yugraj Residency” G+4 Residential Apartment through application number RERAP11302019215818-6 on 03.03.2021, which after scrutiny, was found unsatisfactory, following which the Authority after hearing the matter observed that *“It is apparent that the original Building map plan of the proposed project has not been approved by the competent authority in terms of section 4(d) of the Act, the application for registration of real estate project Yugraj Residency stands rejected as the promoter has failed to submit the requisite documents with the Authority”*. Hence, the promoter was given liberty to apply again along with requisite documents. She reiterates that that even after the lapse of such long period, the respondent for intentions best known to him, preferred not to apply for the registration of project again.
10. She further submits that, during the course of the hearings, the promoter respondent has taken inconsistent stands on different occasions with respect to the status of construction of

the project. In the proceedings dated 11.04.2025, the respondent stated that the construction of the project had been completely stalled and that no construction activity was being undertaken. Subsequently, in the proceedings dated 24.06.2025, it was submitted that following the rejection of the application for registration, construction of the building was never initiated and that the plot remains vacant. However, on another occasion, the respondent stated that the said project had been completed out of the respondent's personal resources. In view of the aforesaid inconsistencies and doubts, the Bench deemed it appropriate to direct the technical team to conduct a site inspection in order to ascertain the actual stage of development and construction of the project.

- 11.** The Technical Team submitted its report dated 17.01.2026, wherein it was observed during the course of site inspection that the project is under construction and forms part of the project J.P. Galaxy, bearing RERA Registration No. BRERAP15818-5/1330/R-1113/2021, notwithstanding the fact that the impugned project, namely Yugraj Residency, had been rejected by RERA. The Team has annexed photographs of the site, which clearly indicates that the project is an ongoing one and is approximately 60% complete.
- 12.** The learned Legal Representative for the Authority reiterated the earlier submissions and contended that the present case involves a blatant violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016, and accordingly prayed for imposition of penalty under Section 59(1) of the Act.

- 13.** Perused the record and submissions made by the learned counsels of both the respondent and the Complainant Authority.
- 14.** This Bench after giving a careful and comprehensive study of the pleadings, documents, and submissions placed on record, observes that the Respondent-Promoter, in its reply, has elaborately contended that the project remains unregistered under RERA on the ground that it falls outside the planning area. It is noted that the promoter had applied for registration of the project situated at Mauza Shekhpura, Jaganpura, Block Sampatchak in the year 2021, which was rejected vide Letter No. 42/2021/277 dated 25.02.2022. However, it is pertinent to note that Block Sampatchak had already been declared as a planning area in the year 2020 itself, vide Letter No. 4339/2020 dated 26.12.2020 issued by the Urban Development and Housing Department. Further, a perusal of the official website of Nagar Parishad Sampatchak also reflects its year of establishment as 2020.

In view of the aforesaid, the contention advanced by the respondent that the project falls outside the planning area is found to be evasive, misleading, and devoid of merit, and appears to be a deliberate attempt to misrepresent the true factual and legal position of the matter in question.

- 15.** It is further noteworthy that a similar project, comprising G+4 construction and situated at Mauza Shekhpura, Block Sampatchak, namely J.P. Galaxy, has been registered by the same promoter in the year 2021 itself, bearing Registration No. BRERAP15818-5/1330/R-1113/2021. This contradictory

stance adopted by the promoter is indicative of a mala fide intention with respect to the impugned project, as it is inconceivable that one project situated at the same premises could be duly registered under RERA while another is claimed to fall outside the planning area.

16. Such conduct clearly demonstrates that the promoter was fully aware that the project falls within the planning area; however, despite such knowledge, the promoter failed to make a fresh application for registration, thereby acting in contravention of the provisions of Section 4 of the Act.

17. The promoter has further placed on record certain bank statements reflecting transactions amounting to Rs. 29,78,000/-. However, it is pertinent to note that in the application for registration submitted by the respondent, the estimated development cost of the said project has been disclosed as Rs. 2 crores. In light of the findings recorded in the Technical Report, which establishes that the construction of the building is approximately 60% complete, it is inconceivable that such a substantial stage of construction could have been achieved with the aforesaid minimal expenditure of only 29.78 Lakhs. Moreover, considering that the initial project cost was assessed at Rs. 2 crores nearly five years ago, and taking into account the significant escalation in the cost of the construction raw materials over the intervening period, the claim of the promoter lacks credibility and is a clear manifestation of the malafide intention of the promoter.

18. Furthermore, this Bench observes that the impugned project is situated on the very same premises as the duly registered

project J.P. Galaxy, along with other residential constructions, as reflected in the Technical Report, which have already been offered for sale and alienated to members of the general public.

- 19.** In this backdrop, the contention advanced by the promoter that the impugned project is intended solely for personal use appears to be a mere facade, devised to obscure the true nature and intended commercial exploitation of the project. The surrounding circumstances and material on record strongly suggest that, akin to the other projects undertaken on the same premises, the impugned project is also meant for sale to prospective allottees.
- 20.** Prima facie, it is highly improbable that a project for which an application for registration was previously submitted evidencing a clear intention to market and sell units to raise funds from allottees would subsequently be recharacterized as being for personal use, particularly after the initiation of suo motu proceedings for violation of Section 3 of the Act. Such an assertion appears to be an afterthought, aimed at circumventing the statutory mandate and evading the rigours of regulatory compliance under the Act.
- 21.** Accordingly, the conduct of the promoter reflects a deliberate attempt to misrepresent the exact/correct status of the project and to avoid the legal obligations cast upon it under the applicable provisions of law.
- 22.** The promoter company, in its reply dated 15.05.2025, has itself admitted in paragraph 4 that, even prior to the registration of the project and at the time of applying for registration under RERA, it had undertaken certain bookings, which were subsequently

settled. This categorical admission on the part of the respondent clearly establishes a blatant violation of Section 3 of the Act, as the promoter proceeded to offer and deal in the project without obtaining the mandatory registration as required under law.

It is a settled principle of law that once a statutory breach or unlawful act has been committed, the infraction does not stand obliterated merely because the consequences thereof are subsequently reversed, undone, or rectified. Accordingly, the subsequent settlement of such bookings does not exonerate the promoter from liability arising out of the initial contravention.

23.The primary purpose of the Real Estate (Regulation and Development) Act, 2016, is to safeguard the interests of homebuyers. The very object behind the enactment of the Act, was to curb such unregulated, speculative, and opaque “pre-launch” activities which endanger the hard-earned money of homebuyers and erode their confidence in the real estate sector. The present case illustrates the mischief sought to be remedied by the Act

24.Section 3 of the Act categorically stipulates as follows:

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: 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: Provided further that if the

Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.

- 25.** The mandate of Section 3 of the Act, is unambiguous and absolute. No promoter can advertise, market, book, sell or offer for sale or invite persons to purchase in any real estate project without prior registration. It is an admitted and undisputed fact that the Respondent has advertised and marketed the said project, thereby making an offer for sale in clear contravention of the said statutory provision of the Act.
- 26.** In light of the above, this Authority unequivocally holds that the Respondent has committed violation of Section 3 of the Act. The Respondent's conduct does not only contravene statutory provisions but also undermines the public confidence in the real estate sector.
- 27.** Accordingly, in exercise of the powers conferred under Section 35 read with Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, this Bench hereby gives the following directions:
- 28.** The Respondent is restrained from undertaking any further promotional, advertising, booking, or sale activities in respect of the project "Yugraj Residency" or any other unregistered project, until the registration of the same is obtained from RERA.
- 29.** Accordingly, the cumulative facts and circumstances on record conclusively establishes the violation of Section 3 of the Act in respect of the project in question committed by the respondent.

The contravention thus stands duly established. Hence, keeping in view the objectives of the Act to regulate and promote the real estate sector in a transparent, fair, and accountable manner, the Authority deems it appropriate to impose a penalty of ₹10,00,000/- (Rupees ten Lakh only), being equivalent to less than 1% of the estimated development cost of the impugned project, as disclosed by the Respondent in its earlier application submitted for registration of the project.

30. Accordingly, the above said penalty is hereby imposed upon the Respondent-Promoter for the established violation of the Act. The Respondent is further directed to strictly desist from any such statutory violations in future and to ensure registration of the project immediately by completing all requisite formalities in accordance with the provisions of the Act and the Rules framed thereunder.

31. The respondent-promoter is hereby directed to deposit the aforesaid penalty amount of ₹10,00,000/- (Rupees ten Lakh only) within a period of sixty (60) days from the date of issuance of this order. Failure to comply with this direction shall attract further action in accordance with the provisions of Section 59(2) of the Real Estate (Regulation and Development) Act, 2016 and other relevant provision of the Act.

32. I.G. Registration, Bihar is requested to issue for issuing necessary instructions to all the concerned DSRs / Sub-Registrars to impose a blanket ban on the execution of sale deed of any unit (flat/shop/part thereof) pertaining to the said project “Yugraj Residency” by the respondent company and its directors.

33. The Office is directed to take all necessary measures to ensure the compliance of the aforementioned directions.

With the above observations and directions, this matter is disposed of.

Sd/-

(Sanjaya Kumar Singh)
Inquiry Commissioner,
RERA, Bihar