



**REAL ESTATE REGULATORY AUTHORITY, BIHAR**  
Before the Single Bench of Senior Land Revenue Officer, RERA, Bihar.

**RERA/SM/756/2025**

Authorised Representative of RERA ..... Complainant  
Vs  
M/s Arya Construction and suppliers .. .... Respondent

**Project: Arya City Phase 3**

Present: For Complainant: Ojaswi Ishani

For Respondents: Sumit Kumar, Adv

28.07.2025

**ORDER**

1. Hearing taken up. Learned legal representative Ojaswi Ishani appears on behalf of the RERA. Learned counsel Mr. Sumit Kumar appears on behalf of the respondents.
2. A Suo Motu proceeding has been initiated against the promoter in respect of the project "Arya City Phase 3" on the basis of evidence of advertisement found on Facebook, the project is not registered with the Real Estate Regulatory Authority, Bihar as required under the provisions of the Real Estate (Regulation and Development) Act, 2016. It is submitted by the Learned Counsel for Authority that a show cause notice dated 12.06.2025 has already been served upon the promoter. It has been further brought to the Authority's attention that the promoter is engaged in the development, advertisement, marketing, offering for sale, and

selling of plots in the said project without registration, thereby acting in contravention of Section 3 of the Act.

3. In reply to the above show cause issued to the respondents, the measure thrust of the respondents was to take the plea that the respondent is engaged in the business of selling land, and that the boundary wall on plot, electric pole, road does not belong to the respondent and has been constructed by the purchaser of land. Also, the total area of the alleged project is only 3553 Sq ft which is less than 500 sq mtr and thus the alleged project does not fall within the purview of Section 3 of the RERA Act 2016. In support of such a claim, the respondent has submitted a sale deed dated 25.11.2021, alleging that the land sold to Shri Punit Kumar Gupta is just 3553 sq ft.
4. The legal representative of RERA to corroborate the above submission further submits that the promoter has willfully failed to comply with the mandatory provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016, despite being fully aware of the statutory requirement of prior registration of the project "Arya City Phase 3" with the Authority before undertaking any development, marketing, or sale activities.
5. It is further submitted that the promoter's actions not only undermine the intent and purpose of the Act, which is to bring transparency, accountability, and consumer protection in the real estate sector, but also prejudice the interests of allottees who may be induced into transactions without the safeguards offered by a registered project.

6. The non-compliance demonstrates a deliberate disregard for regulatory norms and warrants the initiation of proceedings under Section 59 for penal consequences, and if required, further investigation under Section 35.
7. The report about the project land in contravention was placed on record. From the report, it transpires that the project is situated at Village Purwari Telpa, Newaji Tola, Pragnna Chitrand, Thana Chapra, Khata No 289, Plot 583, Saran, Bihar. The inspection team during site visit found that the promoter is advertising and developing Arya City Phase 1. After further research, they found the advertisement for Arya City Phase 3 on different online websites.
8. The Legal representative of RERA submits that the Jamabandi obtained by the inspection team confirms that Khata No. 289 and Plot No. 583 together totals to 15.599 decimals which is equivalent to 631.13554 square meters. Although the portion sold to Mr. Punit Kumar Gupta measures less than 500 square meters, the entire parcel encompasses 631.13554 square meters. Therefore, it clearly falls within the ambit of Section 3 of the RERA Act, 2016. Some part and parcel of the land of the project was sold to Priyanka Sriwastav, Manish Kumar, Shekhar Raj and Sandip Soni respectively in 2021 and 2022.
9. She further submits that **Section 3(1)** of the RERA Act prohibits any promoter from advertising, marketing, booking, or selling a real estate project or any part thereof without first registering the project with the Real Estate Regulatory Authority

Under Section 3(2)(a), the Act provides an exemption only if:

- the total land area proposed is 500 sqm or less, or
- the number of units does not exceed eight, inclusive of all phases

Since the full parcel spans 631.13554 sqm, which is beyond the 500 sqm threshold, it fails to qualify for exemption even though the portion sold to Mr. Punit Kumar Gupta is smaller. RERA's coverage is assessed on the whole project, not on subdivided portions. She states that the averments made by the Respondent are not only devoid of merit but appear to have been crafted solely with the intent to mislead this Hon'ble Court

10. Heard the parties.
11. The Authority has perused the materials placed on record and taken note of the submissions made by the parties.
12. The term Advertisement has been defined under Section 2(b) of the Real Estate (Regulation and Development) Act, 2016 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.”*

13. The materials submitted on record in the form of an advertisement, clearly establishes that the respondent actively developed and

promoted its project, Arya City Phase 3, not only by offering units for sale but also by advertising, at various platforms. Such promotional activity, undertaken without prior registration as required, constitutes a violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016. Consequently, the advertisement in question squarely falls within the definition provided under Section 2(b) of the Act.

14. As asserted in their defense, the respondents have failed to produce any credible or substantive evidence to rebut the materials available against them, or to justify the brochure placed on record in the form of an advertisement promoting the unregistered project Arya City Phase 3
15. The respondent has actively promoted and facilitated the sale of plots in a project that is not registered with this Authority, thereby violating the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016.
16. The report placed on record, including signage boards, and a detailed categorization of plots in support of the brochure clearly establishes that the project was being marketed and promoted in a structured and commercial manner. This directly attracts the applicability of Section 3 of the Real Estate (Regulation and Development) Act, 2016. The respondent's plea is devoid of any substantive averments or credible evidence to demonstrate that the contents of the report is imaginary. Accordingly, the objections raised by the respondent are found to be baseless and devoid of merit.

17. The other pleas advanced by the respondents, whether in their reply or in their objection to the rejoinder, are devoid of any merit and are therefore rejected.
18. The Authority is of the considered view that the actions of the respondent amount to clear violation of the mandatory requirement of prior registration of the project under Section 3 of the Real Estate (Regulation and Development) Act, 2016. Such conduct not only undermines the intent of the statute but also attracts penal consequences as provided under Section 59.
19. In view of the above findings, it is established that the respondent company has contravened the provisions of Sections 3 of the Real Estate (Regulation and Development) Act, 2016. Accordingly, for contravening the said provisions and in consideration of safeguarding the interests of genuine homebuyers and to safeguard the objective and spirit envisaged under the RERA Act, the Authority imposes penalty against the promoter under Section 59(1) of the Act which states that on contravention of Section 3 of the Act, the promoter shall be liable to a penalty which may extend upto 10% of the estimated cost of the real estate project as determined by the Authority.
20. With respect to the quantum of punishment, it shall be calculated on the basis of minimum value rate (mvr) rate prevailing at the concerned place in absence of the exact knowledge of the estimated cost of the project. As per the prevailing mvr rate according to the bihar government website in the area situated near the project, the residential main road value per katha is Rs. 40,000. As per the report placed by

the circle officer, the total land in question is 26.927 D which is equivalent to 8.61664 katha. Thus, the land cost is approximately Rs. 3,44,665.6. Since, the cost of the land and cost of development of the project in contemporary scenario even in cases of plotted development is usually in ratio of 3:2, thus it could be said that the development cost will approximately be around Rs. 2,29,776.67. Accordingly, the total estimate cost of the project will approximately expand to Rs. 5,74,441. Thus, the Authority hereby imposes a penalty of Rs. ₹57,444.17, in accordance with Section 59(1) of the Act, which is 10% of the estimated cost of the project

21. The penalty amount, as mentioned above, shall be paid by the respondent company within sixty (60) days from the date of issuance of this order. Failure to comply with this direction will attract further action under Section 59(2) of the Real Estate (Regulation and Development) Act, 2016.
22. The Authority further directs the office to issue a letter to the I.G. Registration, Bihar to issue letter to all the concerned DSRS's / Sub-Registrars of Patna to impose a blanket ban on execution of sale deed for the project namely Arya City Phase 3, of the respondent - M/s Arya Construction and suppliers.
23. The Concerned Circle Officer is directed to not to proceed with the mutation of any plot falling within the area of the said project land till further order by the Authority.

24. The office is directed to act accordingly and issue necessary directions to all concerned mentioning the full details of the Project including land details.

With these observations and directions, the matter is disposed of.

**Sd/-**  
**(Amarendra Shahi)**  
**Senior Land Revenue Officer**  
**RERA, Bihar**