

REAL ESTATE REGULATORY AUTHORITY, BIHAR

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

RERA/SM/698/2025

Authorised Representative of RERA

.....Complainant

Vs

M/s Panchdeep Construction Pvt. Ltd.

.....Respondent

Project: K.P. Mall

Present: For Complainant: Mr. Abhinay Priyadarshi, Advocate
For Respondent: Mr. Jai Ram Singh, Advocate

24/12/2025

ORDER

1. Hearing taken up. Mr. Abhinay Priyadarshi, learned counsel for the complainant/ Authority is present. Mr. Jai Ram Singh 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 "K.P. Mall". Accordingly, a preliminary notice dated 15-11-2024 and reminder notice dated 28-01-2025 was issued to the respondent by registering a suomotu case, seeking an explanation by further show cause notice on 01-04-2025.
3. The aforementioned notice and case were initiated on the basis of *Form-D* issued in relation to the above-mentioned project, which was applied for registration pursuant to an inspection conducted by a team duly constituted by the Authority. The inspection revealed that the project was being developed by the respondent, which *prima facie* indicates that, in contravention of the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act"), the respondent has promoted the instant project and accordingly, invited potential buyers without obtaining

the requisite registration as mandated under the Real Estate (Regulation and Development) Act, 2016.

4. The Learned Legal representative of the Authority submits that, pursuant to the inspection conducted by a team of the Authority, the present proceedings have been initiated. The inspection team had reported that the promoter is developing and marketing the project in violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016 (“the Act”), without registration of the project with the Authority as mandated under the Act.
5. The respondent has filed a reply stating that the project had earlier been applied for registration on 24.01.2019; however, the said application was rejected due to non-submission of certain documents as required under the provisions of the Real Estate (Regulation and Development) Act, 2016 (“*the Act*”) and the Rules framed thereunder. It has further been submitted by the respondent that the project was completed prior to the enactment of the Act, and in support of such contention, a Sale Deed dated 18.05.2017 has been placed on record. The respondent has also stated that multiple litigations are pending in relation to the present project.
6. The respondent has also placed on record an order dated 22.08.2025 in SM/555/2022, passed by the Bench of the Hon’ble Chairman, and submits that the present case is analogous to the said matter, praying that a similar order may be passed in the instant proceedings.
7. The Complainant–Authority filed a rejoinder contending that the reply submitted by the Respondent is evasive, unsupported by evidence, and fails to address the fact regarding violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016 committed by the Respondent, wherein he has admittedly sold commercial units without obtaining mandatory registration of the project. The plea of completion of the impugned project prior to the enactment of RERA is factually incorrect and legally untenable,

since no Completion Certificate or Occupancy Certificate has been produced and the fact that the Respondent had himself applied for the registration of the project in 2019 corroborate the fact that it is as an ongoing project. The Sale Deed dated 18.05.2017, executed after 01.05.2017, does not grant any exemption, particularly when the document is incomplete and fails to identify the project. The pendency of multiple litigations further establishes that the project remains disputed and incomplete, rendering it mandatorily registrable under the Act. Consequently, the Respondent's request to treat the registration fee as a token penalty is untenable, and the project explicitly attracts penal consequences under Section 59 of the Act.

8. Learned counsel for the Respondent, after advancing arguments at length, prayed for exoneration from the imposition of penalty.
9. Per contra, the learned Legal Representative for the Authority reiterated the earlier submissions and contended that the present case involves a clear 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.
10. Perused the record and submissions.
- 11.(a) Section 2(b) of the Real Estate (Regulation and Development) Act, 2016 provided the definition of "advertisement" which reads as follows:

"advertisement" means any document described or issued as an 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, buildings, or apartments or inviting persons to purchase in any manner such plot, building, or apartment, or to make advances or deposits for such purposes.

(b) Further, Section 3(1) of the RERA Act mandates that 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 thereof, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act.

12. A bare perusal of the relevant statutory provisions and the material placed on record clearly establishes that the promoter has violated the mandatory requirements of the Real Estate (Regulation and Development) Act, 2016. The Respondent's own admission regarding completion and occupation of the building by the allottees unequivocally demonstrates that the units have been sold without obtaining mandatory registration, in contravention of **Section 3** of the Act. Accordingly, the conduct of the promoter constitutes a clear statutory violation and squarely attracts the penal provisions prescribed under the Act.

13. The conduct of the Respondent not only amounts to a violation of the aforesaid provisions of the Act but also strikes at the very object and purpose for which the Real Estate (Regulation and Development) Act, 2016 was enacted. The sale of units to the interested buyers without obtaining mandatory registration reflects a deliberate attempt to circumvent the statutory regulatory framework, derive unlawful economic benefit, and defeat the transparency and accountability sought to be ensured under the Act. Such conduct undermines the authority of the Regulatory Authority and prejudices the interests of the allottees. Accordingly, the cumulative fact on record conclusively establishes the violation of **Section 3** of the Act in respect of the project in question committed by the respondent.

14. The Authority has taken note of the submissions made by the Respondent–Promoter expressing apology for the contravention and seeking exoneration from the imposition of penalty by urging a liberal interpretation of Section 59(1) of the Real Estate (Regulation and Development) Act, 2016. While the contravention stands duly established, considering the objectives of the Act to regulate and promote the real estate sector in a transparent and accountable manner, the Authority deems it appropriate to impose a moderate penalty. Accordingly, a penalty of ₹10,00,000/- (Rupees Ten Lakh only) is hereby imposed upon the Respondent–Promoter for the established violation. The Respondent is further directed to desist from any such statutory violation in future and to ensure registration of the project forthwith by completing all requisite formalities in accordance with the provisions of the Act and the Rules framed there under.
15. The respondent-promoter is hereby directed to deposit the aforementioned 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.
16. 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