



REAL ESTATE REGULATORY AUTHORITY, BIHAR

Before the Single Bench of Hon'ble Chairman Mr. Vivek Kumar Singh, RERA, Bihar

RERA/SM/476/2021

Authorised Representative of RERA.....Complainant

Vs

M/s Arekha Developers Pvt. Ltd.....Respondent

Project: Rajgir Dreams Green City

Present: For Complainant: Mr Rishikesh Rajan, AR of RERA

For Respondent: Mr Sharad Shekhar

24/06/2026

ORDER

1. Hearing taken up. Mr. Rishikesh Rajan, Authorised representative appears on behalf of the complainant. Learned counsel Mr. Sharad Shekar appears on the behalf of Respondent.
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 "Rajgir Dreams Green City". Accordingly, a notice dated 23-03-2021 was issued to the respondent by registering a suo motu case, seeking an explanation.
3. The aforesaid notice and proceedings were initiated on the basis of an advertisement received, circulated on an online platform, which *prima facie* reveals 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 this project on online platform and has thus invited prospective buyers without obtaining the registration of the said advertised project as mandated under the Act.
4. The learned legal representative of the Authority submitted that the promoter is marketing the project by means of advertisement in violation of the provisions of Section 3 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act"), without obtaining the mandatory registration of the project with the Authority as required under the Act.
5. The legal representative of the complainant-Authority further submitted that the Respondent has contravened section 3 of the Act, as they had advertised their project prior to obtaining registration, which is established by a mere perusal of the from the

brochure and advertisement placed on record. The said brochure clearly establishes the act of advertisement.

6. In their reply dated 05.04.2021, the respondents submitted that they are still in the process of developing a project titled “Rajgir Dream Green City”. It was further stated that they have neither received any advance consideration nor booked any plots for sale in respect of the said project. It was also averred that no hoardings or display boards have been erected or exhibited pertaining to the aforesaid project.
7. In their subsequent reply dated 08.01.2026, the respondents reiterated their earlier stand that they have not executed any development agreement or sale agreement in respect of the aforesaid project. It was further stated that no application has been made for approval of layout plans or sanction of maps, nor have any brochures, pamphlets, or advertisements been issued or circulated in connection with the said projects. The respondents further submitted that they have purchased land situated at Gram Panchayat, Mauza Nekpur, Thana No. 486, comprised in Khata No. 166, Khesra No. 3758, admeasuring an area of 1 acre 87.5 decimals. It was further submitted that the said land falls within a non-planning/rural area, and in support thereof, a registered sale deed bearing Deed No. 3468 dated 10.03.2021 was relied upon.
8. The learned counsel for the complainant/Authority argues that it is apparent from the records that the promoter has advertised the unregistered project on various online platforms without first obtaining registration from RERA, as required by law, which constitutes a violation of Section 3 of the Act. He further placed reliance on Notification No. 768 issued by the Urban Development and Housing Department, Government of Bihar, dated 24.08.2017 wherein it has been clearly stipulated that the aforesaid area and village Nekpur, situated within the Rural Administrative Unit “Pilkhi”, falls within the notified Planning Area.
9. The Complainant-Authority further submits that, pursuant to the direction of this bench, a team of technical experts was sent to inspect the site. The said team submitted its technical report dated 25.08.2025. Upon inspection, the team found that plotted development activity had been undertaken on the subject land parcel without obtaining the mandatory registration under RERA. During further enquiry, it was informed by local residents that several agents frequently visit the project site and are engaged in showing the plots to prospective purchasers.

It was further reported that multiple unregistered agreements have been executed between the company and various buyers. The report also records that promotional and advertisement materials relating to the said project remain publicly accessible, including on online platforms such as YouTube. This clearly indicates that the promoter is engaged in developing the impugned project without obtaining RERA registration, executed sale deeds, and have advertised the project, all of which constitutes a direct violation of Section 3 of the Act.

10. Perused the record of the case and took into account the submissions of both the Respondent and the complainant.
11. (a) Section 2(b) of the Real Estate (Regulation and Development) Act, 2016 provides 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, 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.
(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, read with 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 plea of the respondent that the project does not fall within the planning area is found to be incorrect and appears to be a misleading and untenable submission made with an intent to misguide this Bench. Notification No. 768 issued by the Urban Development and Housing Department, Government of Bihar, dated 24.08.2017, clearly demonstrates that the aforesaid land parcel and area fall within the notified planning area.
13. It is further observed that the contention of the respondent taken in para 3 of their reply that it has not indulged in any form of advertisement is false, misleading, and wholly devoid of merit. The brochures and promotional materials issued by the

respondent and circulated on various online platforms have been brought on record, which unmistakably disclose the name of the impugned project along with that of the promoter/respondent, and clearly invite prospective purchasers to acquire/purchase plots in the said project. Despite ample opportunity granted, the respondent has failed to adduce any cogent, credible, or authentic evidence to substantiate its defence or to demonstrate the veracity of its assertions during the course of the proceedings. In the absence of any such material evidence, the record as placed establishes, prima facie, a case against the respondent.

14. It is further noted that the present case was instituted in the year 2021, and even after the lapse of approximately five years, the promotional videos and advertisements issued by the respondent continue to remain available on online platforms, including YouTube, as also reported by the Technical Team. This conduct demonstrates that the promoter has developed an unregistered project, advertised, executed sale deed and sold the plots to the public, which unequivocally demonstrates omission on the part of the respondent to register its project, as mandatorily required under Section 3 of the Act. Such conduct amounts to a clear violation of the statutory obligation cast upon every promoter to apply for and obtain registration of the real estate project prior to undertaking any activity in relation thereto.
15. In view of the foregoing observations, the averment of the respondent that it has not advertised the said project is held to be false. It is further evident that, till date, the respondent has failed to take any effective steps for removal or takedown of the said unauthorized advertisements from the public domain.
16. The evidence placed on the record clearly demonstrate the violation of the Act committed by the Respondent on the basis of the fact that the promoter has failed to obtain a valid registration from the RERA for developing and promoting the project Rajgir Dream Green City.
17. Accordingly, the conduct of the respondent-promoter constitutes a clear statutory violation and squarely attracts the penal provisions as prescribed under the Act.
18. The conduct of the Respondent not only constitutes 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 of the project to the general public without obtaining mandatory registration certificate of the said project reflects a deliberate attempt to circumvent the statutory regulatory framework, derive unlawful economic benefit, and defeat the principles

of transparency and accountability sought to be ensured under the Act. Such conduct undermines the authority of the Regulatory Authority and causes serious prejudice to the interests of the allottees.

19. Having regard to the preamble and the legislative intent underlying the Act, as well as the settled dicta of the Hon'ble Supreme Court emphasizing the paramountcy of protection of homebuyers' interests, this Bench is constrained to invoke coercive and deterrent measures against the respondent. The object of such action is to ensure strict compliance with statutory mandates and to prevent gullible and genuine purchasers from being misled or defrauded on account of unregistered and unauthorized dealings by the promoter.
20. The Hon'ble Supreme Court in the Case of **Mansi Brar Fernandes Versus Shubha Sharma and anr.** 2025 SCC OnLine SC 1972 has reinforced the principle laid down in the case of **Pioneer Urban Land and Infrastructure Ltd v. Union of India (2019) 8 SCC 416** and had held that
22. *"Ultimately, this is a matter of policy. Falling within the exclusive domain of the Government, it cannot remain a silent spectator. The Government is constitutionally obliged to protect the interests of home buyers and the economy at large....Before parting, we observe that the right of housing is not merely a contractual entitlement but a facet of the fundamental right to life under Article 21."*
"Genuine home buyers represent the backbone of India's urban future, and their protection lies at the intersection of constitutional obligation and economic policy. Through these directions, this Court seeks to restore faith in the regulatory and insolvency framework, better speculate to misuse, and ensure that the dream home of India's citizens does not turn into a lifelong nightmare."
21. 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 ₹50,00,000/- (Rupees fifty Lakh only), which is well within the ceiling fixed by the Act for such computation, the scale of the property mentioned in the advertisement given and prevailing markets rates.
22. 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 the requisite formalities in accordance with the provisions of the Act and the Rules framed thereunder.

23. The respondent-promoter is hereby directed to deposit the aforementioned penalty amount of ₹50,00,000/- (Rupees fifty 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.
24. This bench further directs the office to issue a letter to the I.G. Registration, Bihar for issuing necessary instructions to all the concerned DSRs / Sub-Registrars concerned to impose a blanket ban on the execution of sale deed of any unit (flat/shop/part thereof) pertaining to the said project “*Rajgir Dream Green City*” by the respondent company and its directors.
25. The Bench further directs the Circle Officer of the concerned Anchal not to mutate any land pertaining to the said project by the respondent company and its directors.
26. The Authority further directs the respondents to remove all the advertisements of the projects mentioned above from all mediums within a fortnight.
27. 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/-

(Vivek Kumar Singh)
Chairman