

REAL ESTATE REGULATORY AUTHORITY, BIHAR
Before the Bench of Special Presiding Officer,
Mr. Ved Prakash, RERA, Bihar
Case No: RERA/SM/643/2024

Authorised Representative of RERA

...Complainant

Versus

M/s. Nandani Homes Pvt. Ltd.

...Respondent

Project: Krishna Apartment

Present: For Authority: Mr. Ankit Kumar, Legal representative.

For Respondent: Mr. Sharad Shekhar, Advocate.

20.08.2026

ORDER

1. The matter was taken up. Learned Legal Representative for the Authority and learned counsel, Mr. Sharad Shekhar, appearing on behalf of the respondent promoter, are present.
2. The Real Estate Regulatory Authority, Bihar issued a Suo Motu Show Cause Notice dated 28.01.2025 to the respondent for alleged contravention of Section 3 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as “the Act”) on the ground that booking/allotment in the project namely “Krishna Apartment” was made without obtaining registration of the project with the Authority. The respondent was accordingly called upon to show cause as to why proceedings under Sections 35 and 59(1) of the Act may not be initiated for committing contravention of provisions of Section 3 of the Act.
3. Learned Legal Representative for the Authority submits that the respondent-promoter had entered into an Agreement of Allotment dated 27.01.2020 with an allottee in respect of a flat No.101 having area of 1145 Square Feet at the rate of 2900/-per Sq.Ft. in the

project “Krishna Apartment”, despite the project not being registered with the Authority at the relevant time. It is, therefore, submitted that the respondent had contravened the mandatory requirement contained in Section 3(1) of the Act, which prohibits a promoter from advertising, marketing, booking, selling or offering for sale any apartment, plot or building in a real estate project without first registering the project with the Real Estate Regulatory Authority.

4. Learned counsel for the respondent, by filing his reply, submits that an application for registration of the project “Krishna Apartment” was initially filed on 04.10.2019 on the basis of a map stated to have been approved by the Mukhiya of Gram Panchayat Kannuji Kachhuara. The said application was subsequently rejected on account of the validity of the map, and Form-D dated 09.03.2022 was issued by the Authority.
5. The learned counsel further submits that a sum of ₹2,50,000/- had been paid/invested in the project as an investment by the investment partner and that, after issuance of Form-D, the said amount was refunded and the agreement was cancelled with the consent of the concerned allottee/investor on 05.08.2025. It has also been submitted that the aforesaid transaction formed the basis of the present Suo Motu Case No. 643 of 2024, pursuant to which the show-cause notice dated 28.01.2025 was issued under Sections 35 and 59(1) of the Act.
6. The learned counsel for respondent has further contended that, as the project had not been sanctioned by the competent authority, no construction or further booking/allotment was undertaken under the earlier plan. Subsequently a fresh map was sanctioned by the Patna

Metropolitan Area Authority (PMAA) in the year 2026 and the project was thereafter registered with the Authority on 16.06.2026 vide RERA Registration No. BRERAP199828040626311229E00. Further the earlier plan having been rejected/nullified, no development work was undertaken prior to obtaining fresh approval. Later on the project was launched on the basis of the fresh sanctioned plan without any booking, advance, allotment or advertisement prior to its registration with the Authority.

7. The learned counsel for the respondent accordingly submits that the respondent may be exonerated from the present proceedings on the ground that the project has subsequently been registered and that the amount received in connection with the earlier transaction has already been refunded.
8. Upon consideration of the submissions made by the parties and the materials available on record, the Bench/Authority finds that the defence taken by the respondent does not absolve him from the statutory consequence of the act of booking/allotment made prior to registration of the project. Section 3(1) of the Act mandates that no promoter shall advertise, market, book, sell or offer for sale any apartment, plot or building in any real estate project without first registering the project with the Authority. The execution of the Agreement of Allotment dated 27.01.2020, admittedly in respect of the project “Krishna Apartment”, establishes that an allotment/booking was made at a time when the project was not registered with the Authority.
9. The subsequent rejection of the earlier application and issuance of Form-D dated 09.03.2022 on the ground of non-submission of the map approved by the competent authority, coupled with the refund

of the amount and cancellation of the agreement, which establishes that the allotment had already been made and that the project fell within the planning area, do not extinguish the contravention of Section 3(1) of the Act, which had already occurred on the date of the booking/allotment. Likewise, the subsequent registration of the project on 16.06.2026 cannot retrospectively cure the violation committed prior to such registration.

10. In view of the admitted execution of the Agreement of Allotment dated 27.01.2020 in respect of flat in the project “Krishna Apartment” at a time when the project was not registered with the Authority, the contravention of Section 3(1) of the Act stands established. The subsequent refund of the amount, cancellation of the agreement and subsequent registration of the project do not retrospectively cure the violation which had already occurred. Accordingly Bench/Authority holds that the respondent promoter has committed the violations of the provisions of Section 3(1) of RERA Act 2016 and as such they are liable to pay penalty U/s 59(1) RERA Act 2016.

11. It is also pertinent to note that under Section 59(1) of the Real Estate (Regulation and Development) Act, 2016, where any promoter contravenes the provisions of Section 3, the Authority may impose a penalty which may extend up to ten per cent of the estimated cost of the real estate project.

12. In the present case, the respondent, at the time of registration of the project has disclosed the estimated cost of the project as ₹4,00,00,000/- (Rupees Four Crore only). Accordingly, the maximum penalty permissible under Section 59(1) of the Act would extend up to ₹40,00,000/- (Rupees Forty Lakh only). While determining the

quantum of penalty, the Bench/Authority has to take into consideration that the project has subsequently been registered with the Authority. At the same time, the Bench/Authority cannot overlook the statutory mandate of Section 3(1), which prohibits booking or allotment in an unregistered real estate project.

13. Accordingly, in exercise of the powers conferred under Section 59(1) read with Section 3(1) of the Real Estate (Regulation and Development) Act, 2016, the Bench/Authority hereby imposes a penalty of ₹10,00,000/- (Rupees Ten Lakh only) against the respondent-promoter for committing contravention of Section 3(1) of the Act. The said amount shall be deposited with the Real Estate Regulatory Authority, Bihar within 60 days of this order.

With these observations, this case is disposed of.

Sd/-

(Ved Prakash)
Special Presiding Officer
RERA, Bihar
20.08.2026