



REAL ESTATE

Unauthorized Promotion And Promoter Liability Under RERA: “Coming Soon” Is Still Advertising

AUTHOR Suresh Palav, Rahul Sundaram

PUBLISHED 7 January 2026

Introduction

This article examines the order of the Real Estate Regulatory Authority (RERA), Bihar, imposing a monetary penalty on M/s Alphabet Infra Pvt. Ltd. for engaging in real estate marketing prior to obtaining statutory registration. The decision reiterates the Act's consumer protection purpose and the peremptory nature of the registration requirement before any advertisement, marketing, or offer for sale.

Table of contents

- [Introduction](#)
- [Factual Background](#)
- [Procedural Posture and Parties' Positions](#)
- [Issues for Determination](#)
- [Statutory Framework](#)
- [Rival Contentions](#)
- [Analysis and Findings](#)
- [Decision and Order](#)
- [Conclusion](#)

Factual Background

RERA initiated proceedings following a Show Cause Notice issued on 25 June 2025. The initiation stemmed from promotional materials relating the "One World, Brahmapura Railway Colony" project that appeared before the project's registration. The Authority treated the material as advertising within the Act's ambit, thereby implicating the prohibition on pre-registration marketing.

Procedural Posture and Parties' Positions

The Authority proceeded on the premise that the respondent had advertised an unregistered project, violating Section 3 of the Real Estate (Regulation and Development) Act, 2016. It relied on the Act's broad definition of "advertisement" to include such promotional efforts.

The respondent contended that the notice had been misdirected because M/s PRU?RLDA Projects Pvt. Ltd. was the promoter, and that "Alphapet Infra" was merely a brand label. It further claimed to have initiated the registration process and argued that any publicity was restricted to "Coming Soon" displays intended only for identification, which were removed upon receiving RERA's communication.

Issues for Determination

The Authority identified three core questions: whether the respondent's conduct amounted to advertising and thus contravened Section 3; whether the asserted distinction between brand name and promoter insulated the respondent from liability; and whether the facts warranted the imposition of penalties under Section 59(1).

Statutory Framework

Section 3(1) of the Act mandates that no promoter shall advertise, market, book, sell or offer for sale any real estate project without prior registration. The term "advertisement," as defined Section 2(b), is comprehensive and captures promotional materials and communications intended to solicit interest. Section 59(1) prescribes penalties for contravention of Section 3, while Section 59(2) escalates consequences for continued non-compliance. The Authority also proceeded under its investigative and regulatory powers, including those under Section 35.

Rival Contentions

The Authority and the complainant side emphasized that the promotional content, in substance, invited interest and constituted an offer pertaining to a real estate project. They argued that the absence of registration at the time of dissemination made out a clear violation under Section 3, attracting Section 59(1).

The respondent reiterated that it was not the promoter and that the referenced entity, M/s PRU?RLDA Projects Pvt. Ltd., bore that role. It claimed its references were brand?related, that it had moved toward registration, and that the limited “Coming Soon” signage did not rise to actionable advertising. It also expressed contrition and removed the materials once alerted by RERA.

Analysis and Findings

Authority stressed that the registration requirement is a threshold obligation designed to ensure transparency, information symmetry, and consumer protection. On the evidence, it found that promotional activities were carried out before project registration, which frustrated the purpose of the Act’s safeguards.

The Authority rejected the brand?versus?promoter defence as immaterial to the central prohibition on pre?registration publicity. Liability under Section 3 turns on whether a promoter or its agency engages in advertising; the use of a brand name cannot shield conduct that effectively promotes an unregistered project. The respondent did not satisfactorily substantiate its claim of having initiated registration, nor did it adequately respond to the Show Cause Notice.

The Authority acknowledged the respondent’s apology but found that contrition did not negate or cure the contravention. The mitigation advanced did not outweigh the statutory objectives or the need deterrence.

Decision and Order

The Authority held that M/s Alphabet Infra Pvt. Ltd. contravened Section 3 by engaging in pre?registration advertising. It imposed a penalty of ?1,00,000 (Rupees One Lakh) under Section 59(1). It directed the respondent to cease further violations and to complete all steps necessary for project registration without delay.

The Authority cautioned that failure to comply within the stipulated period would invite further punitive measures under Section 59(2). It directed its office to monitor compliance to ensure effective enforcement.

Conclusion

The order reinforces a bright?line rule: no advertising or promotional activity may occur before project registration under RERA. Arguments premised on brand nomenclature, preliminary steps toward registration, or limited “Coming Soon” signage do not dilute the prohibition or avert liability. Developers and their affiliates must ensure strict compliance, maintain documentation evidencing registration before any marketing, and respond promptly and substantively to regulatory notices to uphold consumer protection and regulatory integrity.

For further details write to contact@indialaw.in

Related Practice Areas

Real Estate