BEFORE THE RAJASTHAN REAL ESTATE APPELLATE TRIBUNAL, JAIPUR

Appeal No.152/2026

In : Complaint No.RAJ-RERA-C-N-2025-7930

M/s. Sankalp Infraheights Pvt. Ltd. through its Authorized Signatory, E-123, 124, Sahkar Marg, Behind IOC Petrol Pump, Jaipur 302015.

...Appellant

Versus

1. Real Estate Regulatory Authority, through its Registrar, 2nd & 3rd Floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur 302005

2. Smt. Kamna Rathore, 53 Deshbhushan Nagar, Kasht Haran Hanuman Ji Ka Mandir, Galta Gate, Jaipur 302003, Rajasthan.

3. Vishwanath Singh, 53 Deshbhushan Nagar, Kasht Haran Hanuman Ji Ka Mandir, Galta Gate, Jaipur 302003, Rajasthan.

...Respondents

Appeal No.153/2026

In : Complaint No.RAJ-RERA-C-2025-7986

M/s. Sankalp Infraheights Pvt. Ltd. through its Authorized Signatory, E-123, 124, Sahkar Marg, Behind IOC Petrol Pump, Jaipur 302015.

...Appellant

Versus

1. Real Estate Regulatory Authority, through its Registrar, 2nd & 3rd Floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur 302005

2. Smt. Kamna Rathore, 53 Deshbhushan Nagar, Kasht Haran Hanuman Ji Ka Mandir, Galta Gate, Jaipur 302003, Rajasthan.

...Respondents

Appeal No.154/2026

In : Complaint No.RAJ-RERA-C-2025-7985

M/s. Sankalp Infraheights Pvt. Ltd. through its Authorized Signatory, E-123, 124, Sahkar Marg, Behind IOC Petrol Pump, Jaipur 302015.

…Appellant

Versus

1. Real Estate Regulatory Authority, through its Registrar, 2nd & 3rd Floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur 302005

2. Vishwanath Pratap Singh, 53 Deshbhushan Nagar, Kasht Haran Hanuman Ji Ka Mandir, Galta Gate, Jaipur 302003, Rajasthan.

…Respondents

CORAM:

Mr. Justice Madan Gopal Vyas, Hon'ble Chairperson

Mr. Yudhisthir Sharma, Hon'ble Member (Judicial)

PRESENT:

For appellant : Mr. Mohit Khandelwal, Advocate

For respondent No.1 : Mr. Sanjay Rahar, Advocate through VC

For respondent No.2 & 3 : Mr. Peeyush Ganguli, Advocate proxy for

: Mr. Samkit Jain, Advocate

O R D E R

Reserved on 01st September, 2026

Pronounced on 10th September, 2026

Per : Mr. Justice Madan Gopal Vyas, Hon'ble Chairperson

The present appeals have been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter be referred to as the

"RERA Act, 2016") challenging the common impugned-order dated 24/03/2026 passed by the Rajasthan Real Estate Regulatory Authority, Jaipur (hereinafter referred to as "Regulatory Authority") in Complaint Nos.RAJ-RERA-C-N-2025-7930, RAJ-RERA-C-N-2025-7985 & RAJ-RERA-C-N-2025-7986.

2) The brief facts of the case are that the Complainant-Respondents booked their respective unit in the project - "The Index" situated at Plot No.G-251/G-2, Pratap Nagar, Jaipur, Rajasthan. The details of complainants booking may summarize as under: -

S N.	Name of Allottee	Allotted unit	Date of Agreement for Sale	Booking Amount	Total Sale Consideration	Total deposited amount	Agreed date of possession
1.	Kamna Rathore & Vishwanath Pratap Singh	G-08	08/08/2023	Rs.25,00,000	Rs.1,42,59,476	Rs.1,10,00,000	22/8/2026
2.	Kamna Rathore	SF-18	16/08/2023	Rs.5,00,000/-	Rs.32,33,520/-	Rs.30,71,844/-	22/8/2026
3.	Vishwanath Pratap Singh	SF-01	16/08/2023	Rs.5,00,000/-	Rs.44,46,360/-	Rs.42,24,042/-	22/8/2026

It is submitted that demand letters seeking payment of the outstanding dues were duly sent by the Appellant-Promoter to the Respondent-Complainants on 21/08/2023 and 05/01/2024. However, despite receipt of the said demand letters, the Respondent-Complainants failed and neglected to make the requisite payments and chose to ignore the demands raised by the Appellant-Promoter. Not only this, even thereafter, the Appellant-Promoter issued 3 reminder letters dated 08/03/2024, 28/08/2024 and 15/10/2024, calling upon the Respondent-

Complainants to clear the outstanding dues. However, the said reminder letters were neither complied with nor replied to by the Respondent-Complainants. A final demand letter dated 07/01/2025 was issued, granting the Respondent-Complainants 15 days' time to comply with the payment obligations. However, the Respondent-Complainants failed to comply with the said final demand within the stipulated period. Thus, having been left with no other option, the Appellant-Promoter issued a notice of cancellation dated 20/01/2025. Thereafter, the Appellant-Promoter issued a cancellation letter dated 24/02/2025, whereby the allotment in favour of the Respondent-Complainants was cancelled on account of their failure to pay the outstanding amounts due and payable. The aforesaid notices were issued only after the expiry of the stipulated 15-day period. The utter shock of the Appellant-Promoter, the Regulatory Authority had imposed the penalty of Rs.5,00,000/- upon the Appellant-Promoter for violating the provisions of the RERA Act. The Appellant Promoter submits that it never violated any provision of the RERA Act and completed the construction within the stipulated time. Despite repeatedly requesting the Respondent-Complainants to execute the Agreement for Sale, the Respondents delayed its execution. The Appellant therefore cannot be penalized for such delay. It is further submitted that the Appellant never raised any demand prior to execution of the Agreement for Sale and any payment made by the Respondent was made voluntarily and at his own discretion. Hence, the Appellant cannot be held liable for such payment. In Complaint No: RAJ-RERA-C-N-2025-7930, Complaint No: RAJ-RERA-C-N-2025-7985 & Complaint No: RAJ-

RERA-C-N-2025-7986, were disposed of vide order dated 24/03/2026. The operative portion of the said order is reproduced, as under: -

> *"9. In view of above facts and findings, following directions are issued: -*
> *i) Cancellation notice dated 20/01/2025 issued by the Respondent in Complaint at Serial No. 1 is quashed. The cancellation letters dated 24/02/2025 in Complaints at Serial Nos. 2 and 3 also quashed and set aside.*
>
> *ii) The Respondent is directed to make valid offer of possession of allotted units to the complainants in all three complaints and hand over the possession after receipt of balance due amount, along with interest if any.*
>
> *The delay interest will strictly be calculated as per status of the project shown in QPRs filed before the Authority. The interest shall be calculated till 20/01/2025 in complaint at S. No. 1 and till 24/02/2025 in complaints at S. Nos. 2 & 3. After receipt of balance due amount from the complainants, the Respondent shall execute sale deeds towards the allotted units in favor of the complainants.*
>
> *iii) The complainants are directed to make payment of balance due amount along with interest as specified above.*
>
> *ii) Penalty of Rs. 5,00,000/- under Section 61 of RERA Act, 2016, for violation of provisions of Section 13 of RERA Act, 2016 in each complainant, aggregating to Rs. 15,00,000/- is also imposed on the Respondent.*
>
> *10. Compliance of the order shall be made within 45 days of the uploading of this order on the official webpage of the Authority.*
>
> *11. No order as to costs.*
>
> *12. The order will be uploaded on the webpage of the Authority and also a copy of order will be sent to concerned parties and place a copy of order in the file.*
>
> *13. These complaints stand disposed of with the abovementioned directions".*

3) Hence, these appeals with the following prayer: -

> *"In view of the facts mentioned in paragraph 5 above, the Appellant prays for the following reliefs:*
>
> ***a.*** *That the impugned order dated 24/03/2026 passed by the Regulatory Authority in Complaint Nos. Complaint No: RAJ-RERA-C-N-2025-7930, Complaint No: RAJ-RERA-C-N-2025-7985 & Complaint No: RAJ-RERA-C-N-2025-7986 may kindly be quashed and set aside.*

> ***b.*** *That it may be declared that the cancellation notice dated 20/01/2025 in Complaint no. 2025-7930 is valid and in accordance with law.*
>
> ***c.*** *That the penalty of Rs.5,00,000/ - imposed under Section 61 of the RERA Act may kindly be set aside & quashed.*
>
> ***d.*** *That the cost of litigation may kindly be awarded in favour of the Appellant.*
>
> ***e.*** *That any other appropriate relief which this Tribunal deems just and proper may kindly be granted in favour of the Appellant".*

4) Mr. Mohit Khandelwal, learned counsel appearing for the appellant has argued that the Promoter-Builder and the complainants-allottees, Smt. Kamna Rathore and Vishwanath Pratap Singh, have already settled their disputes out of court in accordance with law and the appellant has no any grievance against the Complainants-Allottees. So far as the finding of violation of Section 13 of RERA Act, 2016, is erroneous. Complainants initially paid Rs.25,00,000/- on 27/09/2021 and thereafter voluntarily issued three cheques of Rs.25,00,000/- each dated 27/10/2021, total amount of Rs.75,00,000, without any demand or insistence by the Appellant. Therefore, the finding of violation of Section 13 is unsustainable. No amount in excess of the prescribed limit was demanded and the Agreement for Sale was duly executed on 08/08/2023. It is argued that the Respondent-Complainant has never raised any objection in this regard prior to filing of the complaint and such frivolous objection was merely a counterblast to hide the default of the Respondent-Complainant. The impugned order dated 24/03/2026 passed by the RERA Authority gravely erred in imposing a penalty of Rs.5,00,000/- per complaint under Section 61 of RERA Act, 2016, for alleged violation of Section

13 of RERA Act. The Authority failed to consider that the Appellant had shared the draft Agreement for Sale and Confirmation Letter with the Respondent through email dated 29/12/2021 at the time of initial booking. The Respondent-Complainant never sought any relief pertaining to the imposition of penalty or charging interest as per the QPR. The RERA Authority erred in directing the Appellant to offer possession and execute sale deeds without ensuring payment of all outstanding dues and applicable interest, contrary to the Agreement for Sale. The complaints were premature, as the agreed possession date was 22/08/2026, which had not expired when the complaints were filed. Despite noting this in Para 5, the Authority failed to dismiss the complaints. The penalty of Rs.5,00,000/- per complaint, totalling Rs.15,00,000/-, imposed under Section 61 of RERA Act is excessive, unjustified and without any reasoned basis. The RERA Authority failed to appreciate that the allottees were in continuous breach of their contractual obligations as the Appellant-Promoter issued multiple demand letters in accordance with the construction-linked payment plan.

5) *Per contra*, Mr.Sanjay Rahar, learned counsel appearing for Respondent No.1-RERA has argued that the penalty was imposed on account of non-compliance with Section 13 of RERA Act, 2016, in exercise of the power conferred upon the Regulatory Authority. It was further submitted that Respondent No. 2 was not competent to settle the matter insofar as the imposition of the penalty was concerned. The Tribunal can take cognizance of the settlement arrived at

between the parties in respect to other directions but cannot nullify the order of penalty imposed by the Regulatory Authority. Therefore, the direction issued by the Regulatory Authority regarding the imposition of the penalty is liable to be upheld.

6) *Per contra*, Mr.Peeyush Ganguly, learned counsel appearing for Respondents Smt.Kamna Rathore and Vishwanath Singh, has argued that the complainant-allottee-Respondents have entered into a settlement and the matter has been amicably settled between the promoter-builder and the allottees. It has further been argued that the alleged violation of Section 13 of RERA Act, 2016, pertained to non-compliance with the obligations towards the complainant-allottee. Since there is no dispute exists as on today between the appellant-promoter and Respondents-Allottees, the penalty imposed by the Regulatory Authority vide the impugned order for violation of Section 13 of RERA Act, 2016, is not sustainable. Accordingly, the direction imposing the penalty may be quashed and set aside.

7) We have heard learned counsel for the parties and perused the material available on record.

8) It is revealed from the submissions made by both the learned counsels/parties that the appellant-promoter and Respondent No.2 & 3-allottees, namely, Smt. Kamna Rathore and Shri Vishwanath Pratap Singh, have already settled the matter by way of compromise. It is noted that the matter was reserved for orders on 01st September 2026. Thereafter, the learned counsel for the

Appellant presented a Settlement Agreement executed between the parties on 08th September 2026, which is taken on record. As per the Settlement Agreement, the Respondents-Complainants and the Appellant-Promoter have amicably resolved their dispute. Therefore, the only question remains to be decided by this Tribunal regarding imposition of penalty, as under: -

1. ***Whether the direction regarding imposition of penalty of Rs.5,00,000/-, under Section 61 of RERA Act, 2016, for violation of provision of Section 13 of RERA Act, 2016, in each complaint is excessive and unjustified and required to be quashed and set aside?***

Finding on Question No.1: -

The facts relevant for deciding this question are that, as mentioned in Para-2, the appellant-promoter issued provisional allotment letter dated 05/08/2023, pursuant to which the parties executed the Agreements for Sale dated 08/08/2023, 16/08/2023 and 16/08/2023 respectively. The total sale consideration stipulated under the respective Agreements for Sale was Rs.1,42,59,476/-, Rs.32,33,520/- and Rs.44,46,360/-. Against the said sale consideration, the Respondent-Complainants paid the amount of Rs.1,10,00,000/-, Rs.30,71,844/- and Rs.42,24,042/-, respectively.

In the light of the aforesaid admitted factual matrix of the matter, Section 13(1) of RERA Act, 2016, prohibits the promoter from accepting a sum of more than 10% of the cost, without first entering into an Agreement for Sale. For the sake of brevity, Section 13(1) of RERA Act, 2016, is reproduced as under: -

> "***13. No deposit or advance to be taken by promoter without first entering into agreement for sale –*** *(1) A promoter shall not accept a sum more than 10% of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force".*

9) It is crystal clear from a plain reading of the above provision that the requirements of Section 13(1) of RERA Act, 2016, are mandatory and are required to be complied with by the promoter. The promoter is prohibited from accepting a sum exceeding 10% of the cost of the apartment without first entering into an Agreement for Sale. In the present case, the mandatory provision of law was not complied with by the appellant-promoter, as an amount exceeding 10% of the total sale consideration was accepted on 27/09/2021, 19/06/2023 and 19/06/2023, respectively, prior to the execution of the Agreement for Sale.

It is pertinent to mention that as per Condition No. 3 of the Settlement Agreement dated 08th September 2026, the First Party (Complainant-Allottee) would provide unconditional consent for quashing of the order dated 24/03/2026 passed by the learned Regulatory Authority in the aforesaid complaints, including the order regarding imposition of the penalty. As per the above discussion, the unconditional consent was given by the counsel for Respondent No.1, Complainant-Allottee and the reply to appeal was not filed during the proceedings. Therefore, the Respondents-Complainants fulfilled the condition of the Settlement Agreement. However, so far as imposition of the penalty is concerned, the penalty was imposed by the Regulatory Authority in its wisdom and jurisdiction. In such

circumstances, the order in this appeal will not affect the rights of the Allottees, and both the parties are bound to comply with the terms & conditions of the Settlement Agreement executed between the parties on 08th September 2026.

Therefore, the violation of Section 13(1) of RERA Act, 2016, is apparent from the record. The allottee-complainant cannot competent to wipe out the same by way of compromise. In such circumstances, the imposition of penalty is justified and as per provision of law.

10) So far as the excessiveness and quantum of the penalty are concerned, it is evident from the record that, after accepting the booking amount, the Agreement for Sale was subsequently executed on 08/08/2023 and 16/08/2023 (within two months), respectively. It is also not revealed from the record that more than 10% amount was deposited by the complainants under pressure created by the appellant or demanded by appellant-promoter. Further, the agreed date of possession was 22/08/2026 and the project was completed by the promoter within the stipulated period. The complaints were preferred after the promoter issued cancellation notices on account of the complainant-allottees' failure to deposit the outstanding instalments within the time stipulated under the Agreement for Sale. Subsequently, the complainant-allottees entered into a settlement by way of compromise and have stated that they no longer seek to pursue the penalty against the appellant-promoter for the alleged violation of Section 13 of RERA Act, 2016. Therefore, considering the totality of the facts and circumstances of the matter, the

imposition of a penalty of Rs.5,00,000/- in each complaint appears to be excessive, particularly in view of the subsequent events. In the circumstances, the penalty deserves to be decreased to Rs.50,000/- in each complaint. Instead of the penalty of Rs.5,00,000/- imposed in each complaint, the impugned order is required to be modified to the aforesaid extent.

Question No.1 is decided, accordingly.

11) In the light of above observations, the appeals are allowed in part, and the impugned order dated 24/03/2026 is modified to the extent that the imposition of a penalty of Rs.5,00,000/- in each complaint is hereby quashed and set aside. In lieu thereof, a penalty of Rs.50,000/- shall be deposited in each complaint for violation of Section 13 of RERA Act, 2016.

12) The Registry is directed to transmit the amount of Rs.50,000/- in each appeal into the bank account of the Rajasthan Real Estate Regulatory Authority, Jaipur as penalty imposed under Section 61 of the RERA Act, 2016. The remaining amount deposited under Section 43(5) of the RERA Act, 2016 shall be refunded to the appellant-promoter.

13) There is no order as to costs.

14) The interim order or any other misc.application, if any, shall stand vacated.

15) A copy of this order be transmitted to the learned counsel for the parties and Raj-RERA, Jaipur.

Files be consigned to record.

Yudhishthir Sharma,
Member (Judicial)

(Madan Gopal Vyas), J.
Chairperson

PBK Pandey/Suppl.3-5