BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL

Appeal No. 531 of 2025

Date of Decision: October 13,2026

MAPSKO Builders Private Limited through its Authorised Representative, 6th Floor, Baani The Address, Golf Course Road, Sector-56, Gurugram, Haryana-122011

Appellant.

Versus

Haryana Real Estate Regulatory Authority, Gurugram, New PWD Rest House, Civil Lines, Gurugram, Haryana

Respondent.

CORAM:

Justice Rajan Gupta **Chairman**
Dr. Virender Parshad **Member (Judicial)**

Present: Mr. Sumesh Malhotra, Advocate for
Ms. Chitra Malhotra, Advocate for the appellant.

Mr. Dhruv Lamba, Advocate with
Ms. Reena Kumari, Advocate for the respondent.

O R D E R:

RAJAN GUPTA, CHAIRMAN (ORAL)

Present appeal is directed against order dated 30.01.2025 passed by the Authority at Gurugram[1]. Operative part thereof reads as under:

> *"Ar. Neeraj Gautam (Associate Architectural Executive) briefed the facts of the case.*
>
> *Sh. Vipin Kumar and Ms. Gargi Bhatt appeared on behalf of the promoter and requests to condone the delay. He has handed over written submissions with respect to show cause notice dated 17.12.2024 wherein it is stated that the developer had applied for*

[1] Haryana Real Estate Regulatory Authority, Gurugram

revised service plans and estimates and revised fire scheme immediately after the issuance of RERA registration certificate by the Authority. However, since the same being a lengthy and time-consuming process, the undersigned developer vide application bearing dak ID 52216 dated 25.04.2023 requested the Authority to extend the time period for submission of revised service plans and estimates and revised fire scheme approval from 02.05.2023 to 17.07.2023 and that application is still pending for consideration before the Authority.

It is further stated in the application the revised fire scheme application was moved vide receipt dated 24.03.2023 and the same was recieved after approval only vide memos dated 17.05.2023 and 16.06.2023, respectively taking almost a period of two months and even more and for considerable period, there was no officer/competent authority to deal with the request for issuance of revised fire scheme. So, the requisite approval could not be issued and submitted. Similarly, the revised service plans and estimates applied by the company and forwarded by Chief Engineer-I, HSVP. Panchkula vide memo dated 13.04.2023were received from the Directorate of Town and Country Planning, Haryana vide memo dated 09.06.2023. Thus, there is no fault of the company in either of the two situations. The time taken by those authorities in processing and passing orders on the applications moved by the company w.r.t. revised service plans and estimates and revised fire scheme approval took about 2 and 3 months respectively and the company has no control over the same. Even, the Hon'ble Apex Court of the land while dealing with such type of situations excluded the period spent in pursuing litigation before the competent authorities and took the same in view cases of Laxmi Srinivasa R. and P. Boiled Rice Mills

V/s State of Andhra Pradesh and Anr. 2022 LiveLaw (SC) 964, Consolidated &Ors. (2008) 7 SCC 169 and recently followed in Purni devi & Anr. v/s Babu Ram & Anr. (2024) 4 SCR 37. The promoter requests to consider the case sympathetically and order refund/release the subject security amount with interest.

The Authority decided in its meeting dated 01.01.2024 that the compliances by the promoters must be made without fall within the timeline of conditional registration failing which the BG/security be forfeited and further action be initiated as per the provisions of the Act of 2016.

It is not disputed that the promoter was granted conditional registration at its own accord and depositing of security amount in the form of demand draft in lieu of submission of the requisite clearances within the time specified in the conditional registration. It was clearly mentioned in the registration certificate that these cheques shall be forfeited in case the respective conditions are not fulfilled by the promoter within the stipulated time period mentioned in the conditions.

In view of the above, the security amount submitted in lieu of timely submission of the approved revised service plans and estimates and approved revised fire scheme is hereby forfeited.

Since the compliance has now been made, although with a delay, the case is filed.

Detailed order shall follow."

2. By the impugned order, the Authority forfeited the security deposit of Rs.50,00,000/- furnished by the appellant-promoter in lieu

of non- submission of approved revisedservice plans and estimatesand approved revised fire scheme within the stipulated time, under the conditional registration granted to the project.

3. Learned counsel for the appellant submitted that there was no wilful default or deliberate non-compliance on the part of the appellant/promoter. Forfeiture of security has been done due to delay of 38 days in submitting service plans and estimates and 45 days in submitting revised fire scheme approval. The appellant diligently applied for revised service plans and estimateson 13.04.2023 and revised fire scheme on 24.03.2023 and final approval was granted on 09.06.2023 and 16.06.2023 respectively. It was argued that extension application dated 25.04.2023 filed by the promoter before the due date for submission i.e. 02.05.2023 seeking extension of the compliance period upto 17.07.2023 was not decided by the Authority. He further submitted that penal forfeiture for a trivial delay undermines RERA's objective of balancing homebuyer protection with *bona fide* real estate development.

4. Learned counsel for the Authority submitted that show cause notice dated 17.12.2024 was issued to the appellant for non-compliance of the condition incorporated in the registration certificate. After giving opportunity of hearing to the appellant, the impugned order was passed. He further submitted that registration certificate explicitly stipulated forfeiture for non-compliance within the fixed timeline. He argued that external delays by approving authorities do

not absolve the promoter from its statutory obligation under Section 4 of the Act[2].

5. We have heard learned counsel for the parties and given careful thought to the facts of the case.

6. At the out-set, the impugned order is liable to be set aside being cryptic and non-speaking. It fails to address the promoter's specific pleas regarding the cause of delay, thereby violating principles of natural justice. As held by the Hon'ble Supreme Court in ***Kranti Associates Pvt. Ltd. v. Mosood Ahmed Khan (2010) 9 SCC 496*** and reiterated in ***Brijmani Devi v. Pappu Kumar (2019) 17 SCC 662,*** a quasi-judicial authority must furnish reasoned findings on material contentions to sustain its orders. On merits, the forfeiture cannot be sustained. The Act, enacted to regulate the real estate sector transparently, does not envisage mechanical penalties that ignore context.

7. A perusal of the Objects and Reasons of the Act shows that the Authority has been established for regulation and promotion of the real estate sector to ensure sale of plots, apartments or buildings in an efficient and transparent manner, to protect the interest of consumers and to establish adjudicatory mechanism for dispute redressal. In case, the project is completed without unnecessary impediments, its timely completion would benefit to consumers as well. Thus, a fine balance has to be struck to achieve the objectives.

[2]The Real Estate (Regulation and Development) Act, 2016

8. Forfeiture of Rs.50,00,000/- for such a minor infraction, especially when other compliances were impeccable and no homebuyer's prejudice is shown, is grossly disproportionate. Penalties under the Act must be just and equitable, not punitive for technicalities. Thus, equity demands setting aside the forfeiture. Since compliances stand achieved post-approval and the project registration remains operative, refund of the security is warranted forthwith.

9. In view of the above, the appeal is allowed. The impugned order dated 30.01.2025 is set aside. The Authority is directed to refund Rs.50,00,000/- security deposit to the appellant within 60 days without interest.

10. Copy of this order be sent to parties/their counsel and the Authority below.

11. File be consigned to records.

Justice Rajan Gupta,
Chairman,
Haryana Real Estate Appellate Tribunal

Dr. Virender Parshad
Member (Judicial)

October 13,2026
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