BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL

Appeal No. 1070 of 2025

Date of Decision: October 30, 2026

M/s Godrej Vestamark LLP through its Authorised Representative Ranjit Bhambu S/o Bhupendra Bhambu, Registered Office: Um house, Plot no. 35, 3rd floor, Gurugram-122002

...Appellant

Versus

Haryana Real Estate Regulatory Authority, Gurugram, PWD Guest House, Old Railway Road, Civil Lines, Gurugram, Haryana

...Respondent

CORAM:

Justice Rajan Gupta **Chairman**
Dinesh Singh Chauhan **Member (Technical)**

Present: Ms. Ankita Chaudhary, Advocate for the appellant.

None for the respondent.

O R D E R:

JUSTICE RAJAN GUPTA, CHAIRMAN

Present appeal isdirected against order dated 07.08.2025 passed by the Secretary to the Authority at Gurugram[1]. Operative part thereof reads as under:

> *" Ar. Neeraj Gautam (Associate Architectural Executive) briefed the facts of the case.*
> *Ms. Anjana Gulati and Ms. Anupam Kohli (AR) is present on behalf of the promoter and states that they have submitted reply dated 19.03.2025 stating that they submitted a request dated 04.11.2024 to the Authority seeking more time to submit the approval of service plans and estimates. The AR states that*

[1]The Real Estate Regulatory Authority, Gurugram

despite consistent follow ups and requests the delay of 18 days was caused. The delay happened because of the departmental procedure and not on the behalf of the promoter. The AR request to condone the delay and refund the security amount.

The Authority decided in its meeting dated 01.01.2024 that the compliances by the promoters must be made without fail 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 of Rs.25 lakhs each as a security deposit to submit the environmental clearance, approved service plans and estimates and fire scheme within four months of the grant of registration certificate. It was clearly mentioned in the registration certificate at para-G(iii) that "this DDs shall be forfeited in favour of authority in case the conditions are not fulfilled by the promoter within the stipulated time period."

Since the approval of service plans and estimates is obtained with a delay of 18 days, the security amount deposited on account of the same is hereby forfeited.

The security amounts deposited on account of environmental clearance and fire scheme approval already stand refunded.

Since the compliance is now made, the case is filed,. Detailed order shall follow."

2. By the impugned order, the Authority forfeited the security deposit of Rs.25,00,000/- furnished by the appellant-promoter in lieu of submission of environmental clearance, approved service plans and estimates under the conditional registration granted to the project. The material facts are not in dispute. The appellant diligently applied for service plans and estimates. The approval was granted after a delay of 18 days. The delay occurred due to departmental procedures which were

beyond the control of the promoter. Notably, the appellant-promoter secured environmental clearance and got the fire scheme approved within time, for which the corresponding securities were refunded.

3. Aggrieved, the appellant-promoter has challenged the forfeiture as arbitrary and disproportionate, contending that the delay was neither wilful nor attributable to any laches on its part. Learned counsel for the appellant emphasized the promoter's proactive approach and urged that penal forfeiture for a trivial delay undermines RERA's objective of balancing homebuyer protection with bona fide real estate development.

4. In the reply filed on behalf of the Authority, it is stated in a *suo motu* complaint initiated against the appellant-promoter, show-cause notice dated 05.03.2025 was issued to it for non-compliance of condition incorporated in the registration certificate. After giving opportunity of hearing to the appellant, the impugned order was passed.

5. Having heard learned counsel for the appellant and perusal of the record, we find substantial merit in the appeal. 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.

6. Forfeiture of Rs.25,00,000/- 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[2] must be just and equitable, not punitive for technicalities. Thus, equity demands setting aside the forfeiture. Since compliance stands achieved post-approval and the project registration remains operative, refund of the security is warranted forthwith.

7. In view of the above, the appeal is allowed. The impugned order dated 07.08.2025 is set aside. The Authority is directed to refund Rs.25,00,000/- security deposit to the appellant-promoter within 90 days without interest.

8. It is advisable that some parameters are laid down by the Authority for imposing penalty to ensure that that the parties are aware of the procedure and the basis on which penalty has been imposed and the extent thereof. It is also expected that detailed orders informed with reasons are passed. In the absence thereof, the Appellate Authority or any higher forum would be in the dark about the criteria adopted in imposing penalty. If necessary, the Authority would frame appropriate regulations for this purpose.

9. A copy of this order be sent to the appellant-promoter and the Authority below.

10. File be consigned to records.

Justice Rajan Gupta
Chairman
Haryana Real Estate Appellate Tribunal

Dinesh Singh Chauhan
Member (Technical)

October 30,2026
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[2]The Real Estate (Regulation & Development) Act, 2016