

**BEFORE THE HARYANA REAL ESTATE APPELLATE
TRIBUNAL**

Appeal No.200 of 2024
Date of Decision: April 07,2025

Coral Realtors Private Limited, A-50/2, Mayapuri Industrial Area,
Phase-1, New Delhi-110064.

--Appellant

Versus

Haryana Real Estate Regulatory Authority, Gurugram, New PWD
Rest House, Civil Lines, Gurugram-122001, Haryana.

--Respondent

CORAM:

**Justice Rajan Gupta
Shri Rakesh Manocha**

**Chairman
Member (Technical)**

Present: Mr. Rishabh Jain, Advocate,
for the appellant.

Mr. Siddhant Arora, Advocate
for the respondent.

ORDER:

Rajan Gupta, Chairman:

Challenge in the present appeal is to order dated
26.02.2024 passed by the Authority¹. Same reads as under:-

“Proceedings dated: 26.02.2024.

*Sh. Sumeet, Engineering Officer and Sh. Ashish
Chartered Accountant briefed about the facts of the case.
Sh. V.K. Jain (AR), Sh. Ravi Kashyap (AR) and Sh. Ankur
Jain (AR) are present on behalf of the promoter.*

¹ Haryana Real Estate Regulatory Authority, Gurugram

The AR states that part OC in respect of the building constructed stand obtained in December, 2019 and the OC for remaining portion already stand applied after completing the construction as per revised sanctioned plan. The requisite consent of 2/3rd allottees already stand obtained and submitted in the authority and the compliance of revalidation of building plans, the requisite revalidation fee stand deposited in HSVP office along with application for OC and grant of OC is expected shortly and project will be complete in all respect by December, 2024.

In view of the above, the Authority decides to grant registration to the project. The grant of registration is without prejudice to the rights of the allottees under Section 14 who have consented to the proposed revisions/changes. Further, the promoter has applied for registration after creation of 3rd party rights and separate suo-motu proceedings initiated by the Authority are being clubbed with the above case and the Authority decides to impose a penalty of Rs.50 lakhs. The registration certificate will be issued after receipt of the penalty.”

2. Mr. Rishab Jain has posed challenge to order dated 26.02.2024. As per him, late fee of Rs.17,12,885/- was imposed by the same Authority during the pendency of the application seeking registration of the project. As per him, the part Occupation Certificate has already been granted by the competent Authority and construction of the project has almost been completed. He submits that there is nothing on record to show that appellant-promoter has violated any of the conditions of Section 3 of the Act² to attract penalty under Section 59 (1) thereof.

3. Mr. Arora has refuted the claim of the appellant. Referring to the report dated 27.02.2025 submitted on behalf of the Authority, he states that Associate Engineer Executive of the

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

Authority visited the site of the project and found that the ground floor and first floor thereof were completely operational and some portion of the second floor was also in use, though in part. Besides, two clubs had already been made operational on the top floor. In the remaining area, project was in progress; only final finishing work is pending. As per Mr. Arora, penalty has been imposed on the appellant-promoter within the parameters laid down under Section 59(1) of the Act.

6. We have considered the respective contentions of the parties and given careful thoughts to their respective contentions. We have also examined the record with their assistance.

7. It is evident that the project 'Metro World Mall' was floated way back in the year February, 2007 and conveyance deed was executed in favour of the appellant by the HSVP on 29.10.2021. At the time of applying for registration, late fee to the tune of Rs. 17,12,885/- was imposed on the promoter. Total registration fee charged from the promoter was Rs.21,23,385/-. It appears that project thereafter made head-way and construction thereof was almost completed. Even part Occupation Certificate for basement and ground floor was granted on 26.05.2018 and then for entire constructed premises in December, 2019.

8. It appears that application for registration of the project was moved by the appellant before the Authority. At the time, same was under consideration, building activity was already underway. The Authority was apprised of the stage thereof. It, thus, decided to register the project, however, on condition of payment of Rs.50,00,000/- as penalty. This was done as certain *suo moto* proceedings initiated by the Authority were clubbed with the application for registration.

9. A perusal of the order shows that the same is cryptic and unsustainable. It is inexplicable as to how the Authority decided to impose penalty of Rs.50,00,000/-. Neither detailed reasons have been assigned nor the parameters for arriving at this figure are mentioned. It has not been specified as to how *suo moto* proceedings were clubbed with the application for registration of the project. There is substance in the plea of the appellant that after having imposed the late fee of Rs.17,12,885/-, there was no occasion for the Authority to impose penalty and direct that registration certificate would be issued after receipt of penalty.

10. In ***Brijmani Devi v. Pappu Kumar***³, Hon'ble Supreme Court, after reiterating the principles laid down in ***Kranti Associates Pvt. Ltd. V. Masood Ahmed Khan and others***⁴, held that a quasi-judicial authority must engage in a thorough examination of the issues and provide a reasoned decision. This is crucial for maintaining the integrity of the adjudicatory process.

11. In view of the aforesaid finding, the impugned order is hereby set aside. The appellant is entitled to refund of penalty of Rs.50,00,000/-, if already deposited by him.

12. In view of the fact that the building has been erected at the site in question and Occupation Certificate has already been granted by the Directorate of Town and Country Planning, registration certificate be issued to the appellant forthwith.

13. The appeal is allowed in the manner indicated above.

14. Copy of the order be sent to the parties/their counsel and the Authority.

³ (2022) 4 SCC 497

⁴ (2010) 9 SCC 496

15. File be consigned to records.

Justice Rajan Gupta
Chairman
Haryana Real Estate Appellate Tribunal

Rakesh Manocha
Member (Technical)

April 07, 2025
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