

**BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL**

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**Appeal No.225 of 2025**

**Date of Decision: 03 February, 2026**

M/s TARC Ltd. through Mr. Ajay Singh Pathania S/o Sh. Onkar Chan Pathania, Authorized Representative having office at 2nd Floor, C-3, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016.

...Appellant.

Versus

Haryana Real Estate Regulatory Authority, Gurugram through its Chairman having office at New PWD Guest House, Civil Lines, Gurugram, Haryana-122001

...Respondent.

**CORAM:**

**Justice Rajan Gupta  
Dr. Virender Parshad  
Dinesh Singh Chauhan**

**Chairman  
Member (Judicial)  
Member (Technical)**

Present: Mr. Neeraj Goel, Advocate for the appellant.

Mr. Dhruv Lamba, Advocate for the respondent-HRERA, Gurugram.

**ORDER:**

**RAJAN GUPTA, CHAIRMAN**

Present appeal is directed against order dated 31.01.2025, passed by the Authority<sup>1</sup> at Panchkula. Operative part thereof reads as under:-

*"5. On 30.01.2025, Ms. Priyanka Aggarwal (Advocate) appeared on behalf of the promoter and requested to condone the delay. The promoter has submitted a reply dated 14.01.2025 regarding delay of 2 days in submitting fire scheme approval of the project wherein it is stated that the promoter had diligently applied for aforesaid fire scheme approval vide application dated 18.08.2024, however, the process for granting fire scheme approval is quite time taking, at first, the application is to be approved at Gurugram by the*

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<sup>1</sup> Haryana Real Estate Regulatory Authority, Panchkula

*concerned fire officer, who is on duty from Monday till Wednesday at Panchkula & from Thursday till Saturday at Gurugram. Thereafter, the file is sent to Panchkula for further inspection & signing by the Deputy Director of Fire Services, Hayana and then again, the file is sent back to Gurugram. It is further stated in the reply that the concerned fire officer on duty was on leave from 25.10.2024 till 09.11.2024 due to sudden and untimely demise of his young son and due the unfortunate incident, the fire scheme was not approved on time. Furthermore, the government departments were closed on several days in month of November due to government holidays and festivities. The delay of two days was neither intentional nor deliberate, but due to circumstances beyond the control of the promoter.*

*6. 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 the conditional within the time specified registration. It was clearly mentioned in the registration certificate that this security amount shall be forfeited in favour of authority in case the conditions are not fulfilled by the promoter within the stipulated time period.*

*7. The Authority has also 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.*

*8. In view of the above, the security amount submitted in lieu of timely submission of the fire scheme approval is hereby forfeited. The security amount submitted on account of the approved service plans and estimates and environmental clearance already*

*stand refunded as the same was obtained within the stipulated time.*

*9. Since the compliance has been made, although with delay, the case is filed."*

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 fire scheme approval within the stipulated time of 04.12.2024 under the conditional registration granted to the project. The material facts are not in dispute. The appellant diligently applied for fire scheme approval on 18.08.2024, well before the deadline. The approval was issued by the Director General, Fire Services, Haryana, Panchkula, only on 06.12.2024, resulting in a two-day delay. This delay occurred due to the concerned fire officer's leave from 25.10.2024 to 09.11.2024 on account of his young son's sudden and untimely demise, coupled with closures of government offices during festivals in November 2024. Notably, the appellant secured environmental clearance and approved service plans/estimates within time, for which the corresponding securities were refunded.

3. Aggrieved, the appellant 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. Per contra, learned counsel for the Authority submitted that a *suo moto* complaint No. 6258 of 2024 was initiated against the appellant and show cause notice dated 17.12.2024 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 dated

31.01.2025 was passed. He stated that the conditional 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 obligations under Section 4 of RERA.

5. Having heard the parties at length and perusal of the record, we find substantial merit in the appeal. At the outset, the impugned order is liable to be set aside for being cryptic and non-speaking. It fails to address the promoter's specific pleas regarding the causes of delay, thereby violating principles of natural justice. As held by the Hon'ble Supreme Court in ***Kranti Associates Pvt. Ltd. v. Masood 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. RERA, enacted to regulate the real estate sector transparently, does not envisage mechanical penalties that ignore context. Section 4(2)(l)(D) requires fire safety compliances, but conditional registration via security deposit is a pragmatic mechanism to accommodate genuine processing delays by statutory bodies. The appellant's application on 18.08.2024 evinces diligence; the two-day shortfall arose purely from factors beyond its control.

6. Forfeiture of 25 lakhs for such a minor infraction, especially when other compliances were impeccable and no homebuyer prejudice is shown, is grossly disproportionate. Penalties under RERA 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 31.01.2025 is set aside. The Authority is directed to refund the Rs. 25,00,000/- security deposit to the appellant within 90 days without interest.
8. Pending applications, if any, stand disposed of.
9. A copy of this order be sent to the appellant-promoter and the Authority below.
10. File be consigned to the records.

Justice Rajan Gupta  
Chairman  
Haryana Real Estate Appellate Tribunal

Dr. Virender Parshad  
Member (Judicial)

Dinesh Singh Chauhan  
Member (Technical)

February 03 , 2026/mk