

BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL

Appeal No. 287 of 2025

Date of Decision: June 05, 2026

M/s JMK Holdings Private Limited, registered office: Ground Floor, Tower-A, Signature Tower South City-1, Gurugram, Haryana 122001, through its authorised representative Anisha Mitra w/o Mehul Choudhry, aged about 34 years

Appellant.

Versus

The Haryana Real Estate Regulatory Authority, Gururam

Respondent.

CORAM:

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

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

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

Mr. Dhruv Lamba, Advocate for the respondent.

ORDER:

RAJAN GUPTA, CHAIRMAN (ORAL)

Present appeal is directed against order dated 30.01.2025 passed by the Authority at Gurugram¹. Operative part thereof reads as under:

“Ar. Neeraj Gautam (Associate Architectural Executive) briefed the facts of the case.

Sh. Vineet Maheshwari and Sh. Vedant Batra appeared on behalf of the promoter and reiterates that the promoter applied for the approval of service plans and estimates on 04.11.2022 and the final approval was granted on 04.08.2023. The delay in approval

¹ Haryana Real Estate Regulatory Authority, Panchkula.

was on the part of the competent authority and the promoter did not have any control of the same. The promoter requests to condone the delay and refund the security amount. He further states that the amount should not be forfeited in view of force majeure circumstances as stated above.

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 agreement 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 this guarantee amount shall be forfeited by the Authority in case the promoter fails to submit the approved service plans and estimates within the stipulated time.

In view of the above, the security amount submitted in lieu of timely submission of the approved service plans and estimates 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.25,00,000/- furnished by the appellant-promoter in lieu of non- submission of service plans and estimates 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 134 days in submitting service plans and estimates. The appellant diligently applied for service plans and estimates on 04.11.2022 and final approval was granted on 04.08.2023. She 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 20.01.2025 was issued to the appellant for non-compliance of 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 Act².

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

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

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 plot, 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.

8. 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 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.

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.25,00,000/- 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)

Dinesh Singh Chauhan
Member (Technical)

June 05,2026
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