

BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL

Date of Decision: September 25, 2026

(1) Appeal No. 832 of 2024

1. Neeraj Bhagat
2. Vandana Bhagat
Both R/o House No. B-2/2032, Vasant Kunj, New Delhi-110070

Appellants.

Versus

Manglam Multiplex Private Limited, Cabin-1, LGF, F-22,
Sushant Shopping Arcade, Sushant Lok Phase-1, Gurugram,
Haryana, India-122002

Respondent

(2) Appeal No. 833 of 2024

Amarjit Singh, C-116, Defence Colony, New Delhi-110024

Appellant.

Versus

Manglam Multiplex Private Limited, Cabin-1, LGF, F-22,
Sushant Shopping Arcade, Sushant Lok Phase-1, Gurugram,
Haryana, India-122002

Respondent

(3) Appeal No. 834 of 2024

1. Varun Ahuja
2. Tanu Ahuja
Both R/o Deerwood Chase-40, Nirvana Country, Sector 50,
Gurugram, Haryana-122018

Appellants.

Versus

Manglam Multiplex Private Limited, Cabin-1, LGF, F-22,
Sushant Shopping Arcade, Sushant Lok Phase-1, Gurugram,
Haryana, India-122002

Respondent

CORAM:

Justice Rajan Gupta
Dinesh Singh Chauhan

Chairman
Member (Technical)

Present: Mr. Alok Mittal, Advocate and
Mr. Zorawar Singh, Advocate for the appellants.

Mr. A. R. Takkar, Senior Advocate assisted by
Ms. Astha Tyagi and Mr. Dushyant Rana,
Advocates for the respondent.

O R D E R:

RAJAN GUPTA, CHAIRMAN

This order shall dispose of above mentioned three appeals as common questions of law and facts are involved therein. However, the facts have been extracted from Appeal No. 832 of 2024.

2. Present appeal is directed against order dated 23.07.2024, passed by the Authority¹. Operative part thereof reads as under:

“G. Directions of the authority

23. Hence, the authority hereby passes this order and issues the following directions under section 37 of the Act to ensure compliance of obligations cast upon the promoter as per the function entrusted to the authority under section 34(f):

i. The respondent/promoter is directed to refund the amount i.e. Rs.1,26,48,562/- after deducting 10% of the sale consideration being earnest money along with an interest @11% p.a. on the refundable amount from the date cancellation i.e. 10.12.2021, till the actual date of refund of the deposited amount. The amount of Rs.99,97,342/- already refunded by the respondent shall be deducted from the amount so

¹ Haryana Real Estate Regulatory Authority, Gurugram

assessed and balance amount if any shall be refunded to the complainant.

ii. A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.

24. Complaint stands disposed of.

25. File be consigned to registry.”

3. It appears that a project in the name and style of 'M3M 65th Avenue', was floated by the respondent-promoter in Sector 65, Gurugram. The appellants were allotted a unit therein vide allotment letter dated 08.02.2018. Builder Buyer's Agreement was executed between the parties on 18.07.2019. Total sale consideration of the unit was Rs.2,98,27,145/-, out of which the allottees remitted an amount of Rs.1,26,48,562/-. Due date of possession was June, 2022. Occupation Certificate was granted to the project on 30.09.2021. Offer of possession was made to the allottees on 25.10.2021. As the allottees failed to clear the outstanding dues despite reminders, the respondent-promoter issued pre-cancellation letter dated 25.11.2021 and thereafter, cancelled the allotment vide letter dated 10.12.2021. Aggrieved thereby, the allottees preferred a complaint before the Authority seeking direction to set aside the cancellation letter dated 10.12.2021 and a direction to the respondent-promoter to hand over possession of the unit in a habitable condition.

4. The stand of the respondent-promoter before the Authority was that as the appellant-allottees failed to clear the outstanding dues despite demand letters/reminders, pre-

cancellation letter was issued on 25.11.2021 and the unit was subsequently cancelled on 10.12.2021.

5. After hearing rival contentions of the parties, the Authority disposed of the complaint with the directions, as reproduced in paragraph No. 2 of this order.

6. Aggrieved against the said order, the appellant-allottees have preferred the present appeal.

7. Learned counsel for the appellant-allottees contended that occupation certificate of the project in question was received on 30.09.2021 and offer of possession was made to the allottees on 25.10.2021. By that time, out of the total sale consideration, the allottees remitted an amount of Rs.1,26,48,562/-. He submitted that there was undue haste in issuing pre-cancellation letter on 25.11.2021 and cancelling the allotment vide letter dated 10.12.2021. As per Clause 9.3 of the BBA, cancellation can only be effected if the allottee fails to respond to two consecutive demands made by the promoter and after expiry of period of 90 days thereafter.

8. Learned counsel for the respondent-promoter submitted that Occupation Certificate to the project was granted on 30.09.2021 and offer of possession was made to the allottees on 25.10.2021 i.e. before due date of possession (June, 2022). He further submitted that after reminders to the allottees to pay the outstanding dues, unit of the allottees was cancelled on 10.12.2021.

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

10. Relevant part of Clause 9.3 of the BBA is extracted below:

“9.3 The Allottee shall be considered under a condition of Default, on the occurrence of the following events:

- (i) In case, the Allottee fails to make payments for two consecutive demands made by the Promoter despite having been issued notice in that regard the Allottee shall be liable to pay interest to the promoter on unpaid amount at the rate prescribed in the Rules.*
- (ii) In case of Default by the Allottee continues for a period of 90 (ninety) days after notice from the Promoter in this regard, the Promoter may cancel the allotment the Unit along with the parking (if applicable) if any, in favour of the Allottee and refund the money paid by the Allottee after forfeiting the Earnest Money being 10% of the Total Consideration and interest compound on delayed payment (payable by the Allottee for breach and non-payment of any due payable to the Promoter in terms of Clause 1.14 herein before) and brokerage/any rebates availed earlier/margin/incentive paid to a Chanel Partner in case booking is made through a Channel Partner. The balance amount of money paid by the Allottee shall be returned by the Promoter to the Allottee, without interest or compensation within 90(ninety) days of such cancellation. On such default, the Agreement and any liability of the Promoter arising out of the same shall thereupon, stand terminated. Provided that, the Promoter shall intimate the Allottee about such termination at least 30 (thirty) days prior to such termination.....”*

11. A perusal of the aforesaid clause shows that the allottees can only be considered in 'default' if they fail to make payments for two consecutive demands made by the promoter. Even thereafter, the promoter must give a 90 days grace period to clear the dues, followed by an advance 30 days notice before actually cancelling the allotment. In the instant case, it is evident from record that final demand notice was sent by the promoter along with offer of possession on 25.10.2021. Thereafter, the promoter issued pre-cancellation letter on 25.11.2021 and cancelled the unit just 15 days thereafter vide letter dated 10.12.2021. As the promoter failed to give the required 90 days grace period or 30 days advance termination notice, cancellation was done in violation of clause of 9.3 of the agreement. Thus, the cancellation letter dated 10.12.2021 is illegal and invalid.

12. In view of the above findings, the impugned order passed by the Authority suffers from legal infirmity. The impugned order and cancellation letter 10.12.2021 issued by the respondent-promoter are hereby set aside. The respondent-promoter is directed to hand over the unit to the appellant-allottees within a period of 90 days from the date of this order after the payment of outstanding dues and settlement of account between the parties.

13. The appeals are allowed in the manner indicated above.

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

14. Files be consigned to records.

Justice Rajan Gupta
Chairman
Haryana Real Estate Appellate Tribunal

Dinesh Singh Chauhan
Member (Technical)

September 25, 2026
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