

BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL

Date of Decision: October 08, 2026

(1) Appeal No. 108 of 2026

M/s RatnashriBuildtech Private Limited Represented through Director Mr. Rajnish Talwar R/o House No. 43, Deerwood Unitech, Sector 50, Nirvana Country, Gurugram, Haryana-122018.

Appellant-Allottee.

Versus

M/s Pioneer Urban Land and Infrastructure Limited having its Regd. Office at Pioneer Square, Ground Floor, Near Golf Course Extension, Sector 62, Gurugram, Haryana-122098.

Respondent-Promoter.

(2) Appeal No. 111 of 2026

M/s RatnashriBuildtech Private Limited Represented through Director Mr. Rajnish Talwar R/o House No. 43, Deerwood Unitech, Sector 50, Nirvana Country, Gurugram, Haryana-122018.

Appellant-Allottee.

Versus

M/s Pioneer Urban Land and Infrastructure Limited having its Regd. Office at Pioneer Square, Ground Floor, Near Golf Course Extension, Sector 62, Gurugram, Haryana-122098.

Respondent-Promoter.

CORAM:

Justice Rajan Gupta
Dinesh Singh Chauhan

Chairman
Member (Technical)

Present: Mr. Ashwani Talwar Sr. Advocate, assisted by
Mr. Sahej Mahajan, Advocate,
for the appellant.

Mr. Rajat Khanna, Advocate and
Mr. Vijay Partap Singh, Advocate,
Mr. Ankush Sharma, Advocate,
for the respondent.

ORDER:

RAJAN GUPTA, CHAIRMAN

This order shall dispose of above-mentioned appeals, as common questions of law and facts are involved therein. However, the facts have been extracted from Appeal No. 108 of 2026.

2. Present appeal is directed against order dated 14.10.2025 passed by the Authority¹ at Gurugram. Operative part thereof reads as under:

“H. Directions of the Authority:

29. Hence, the authority hereby passes this order and issue the following directions under section 37 of the Act to ensure compliance of obligations cast upon the promoters as per the functions entrusted to the Authority under Section 34(f) of the Act of 2016:

i) The respondent is directed to refund the amount received from the complainant after deducting the earnest money which shall not exceed the 10% of the sale consideration along with prescribed rate of interest @ 10.85% p.a. on such balance amount from the date of cancellation i.e. 21.05.2020 till the actual date of realization.

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

iii) The respondent is further directed not to create any third-party rights against the subject unit before full realization of paid-up amount along with interest thereon to the complainant, and even if, any transfer is initiated with respect to subject unit, the receivable shall be first utilized for clearing dues of allottee-complainant.

30. This decision shall mutatis mutandis apply to cases mentioned in para 3 of this order.

31. Complaints stand disposed of. True certified copy of this order shall be placed in the case file of each matter.

32. File be consigned to registry.”

3. Factual matrix of the case is that the appellant-allottee booked a residential apartment in the project, namely, “Presidia at Pioneer Park” in Sector 62, Gurugram. Vide

¹Haryana Real Estate Regulatory Authority, Gurugram.

allotment letter dated 09.11.2010, apartment bearing No. TB-902 on the 9th Floor of Tower B, measuring 4111 sq. ft., was allotted to the appellant-allottee. Apartment buyer's agreement was executed between the parties on 08.12.2010 for a total sale consideration of ₹2,89,59,682/-. The appellant-allottee had remitted an amount of ₹2,68,87,138/- against the said consideration. Due date for delivery of possession was 06.06.2014. The area of the apartment was subsequently revised to 4384 sq. ft. The respondent issued an intimation of possession on 13.11.2017 along with demand for the balance dues, whereas Occupation Certificate in respect of Tower B was granted on 14.11.2017. Thereafter, appellant-allottee sent an email dated 05.12.2017, expressing its inability to clear the dues on the ground that its bank accounts had been frozen by the Income Tax Department during the proceedings initiated against it. It was also intimated that the subject unit had been provisionally attached by the department vide order dated 23.11.2017. As the appellant-allottee did not clear the balance dues demanded by the respondent, reminders were issued on 12.07.2019 and 11.05.2020, followed by a notice of termination dated 21.05.2020 granting a period of 30 days as the final opportunity to cure the default. On 27.12.2022, the Income Tax Department informed the appellant-allottee that the subject unit had been released from attachment. The appellant-allottee intimated the respondent-promoter about the release of the unit and sought resolution of the outstanding demands. Thereafter, the respondent-promoter raised demands allegedly including various illegal charges, constraining the appellant-

allottee to approach the Authority by filing Complaint No. 349 of 2024 on 09.02.2024, seeking possession, delayed-possession interest, restraint against creation of third-party rights, waiver of penal interest etc.

4. Stand of the respondent-promoter before the Authority was that possession was offered on 13.11.2017 along with a demand for the outstanding dues; however, the appellant-allottee remained in persistent default despite reminders dated 12.07.2019 and 11.05.2020. It was further contended that the notice of termination dated 21.05.2020 was issued only after affording sufficient opportunities to the appellant-allottee to clear the outstanding dues. The respondent-promoter further contended that the Income Tax proceedings were neither attributable to it nor constituted a contractual ground for deferment of payment.

5. After considering the rival contentions of the parties, the Authority disposed of the complaint vide the impugned order, operative part whereof has been reproduced in para 2 of this order.

6. Aggrieved by the impugned order, the appellant-allottee has preferred the instant appeal before this Tribunal. Its principal grievance is that the Authority erred in directing refund after treating the notice dated 21.05.2020 as a valid cancellation of the allotment, whereas the respondent-promoter subsequently demanded payment of the outstanding dues vide e-mails dated 28.12.2022 and 10.01.2023. It is further pleaded that the appellant-allottee did not make the payment because the demand accompanying the offer of possession included

certain payments illegally imposed by the respondent-promoter. On these premises, the appellant-allottee seeks restoration of the allotment, possession of the unit and delayed-possession interest.

7. On the other hand, learned counsel for the respondent-promoter has contended that the Authority has rightly passed the impugned order. In emails dated 05.12.2017 and 18.02.2019, the appellant-allottee had expressed its inability to pay the outstanding dues on account of Income Tax proceedings. Despite several opportunities, the appellant-allottee failed to comply with the payment demands raised by the respondent-promoter. Counsel further submitted that third-party rights in the subject unit were created only after the Authority's order dated 08.07.2025, holding the cancellation of the unit to be valid. Thereafter, the respondent-promoter prepared cheques for the refundable amount in accordance with the Authority's directions and sent a reminder to the appellant-allottee to collect the same.

8. We have heard learned counsel for the parties and carefully examined the record of the case.

9. The principal question arising for consideration is whether the Authority committed error in treating the allotment as having been validly cancelled on account of the appellant-allottee's continued failure to clear the outstanding dues. The apartment buyer's agreement required the appellant-allottee to pay the sale consideration in accordance with the agreed payment schedule.

10. It is undisputed that the respondent-promoter issued the intimation of possession on 13.11.2017 and the Occupation Certificate was granted on 14.11.2017. Although the Occupation Certificate was granted one day after issuance of the intimation, the appellant-allottee did not decline possession on that ground. On the contrary, in its e-mails dated 05.12.2017 and 18.02.2019, the appellant-allottee expressed its inability to make payment on account of the Income Tax proceedings initiated against it.

11. It is also evident from the record that a part of the agreed sale consideration remained unpaid. The appellant-allottee neither paid nor tendered the admitted balance amount despite repeated demands raised by the respondent-promoter.

12. The respondent-promoter issued reminders dated 12.07.2019 and 11.05.2020 and thereafter served the termination notice dated 21.05.2020, granting a final period of 30 days to cure the default. The notice expressly stipulated that the allotment would stand cancelled upon failure to clear the dues within the specified period. Admittedly, the appellant-allottee did not make the requisite payment within that period. The stipulated consequence of cancellation, therefore, came into operation upon expiry of the period granted under the notice.

13. The appellant-allottee cannot derive any benefit from the Income Tax proceedings. The order of provisional attachment was passed on 23.11.2017, whereas intimation of possession had already been issued on 13.11.2017. The respondent-promoter was neither responsible nor a party to

those proceedings and could not be compelled to defer the contractual payment obligations indefinitely on that account.

14. The subsequent communications dated 28.12.2022 and 10.01.2023 and further opportunity granted vide letter dated 26.03.2024 cannot be construed as an unconditional revival of the allotment. These communications merely afforded an additional opportunity to the appellant-allottee to clear the outstanding dues. Revival, if any, was conditional upon payment within the period specified by the respondent-promoter. As no payment was made, the condition for revival was never fulfilled.

15. Section 19(6) of the Real Estate (Regulation and Development) Act, 2016 casts an obligation upon an allottee to make necessary payments in the manner and within the time specified in the agreement for sale. The delay attributable to the respondent-promoter may give rise to an entitlement to delayed-possession interest in an appropriate case, but it does not permit the appellant-allottee to indefinitely withhold the balance consideration after completion of the project and grant of the Occupation Certificate.

16. The Authority has adequately protected the financial interest of the appellant-allottee by limiting the deduction towards earnest money to 10% of the sale consideration and directing refund of the remaining amount with prescribed interest at 10.85% per annum from the date of cancellation, i.e. 21.05.2020, until realization.

17. In view of the persistent default, repeated opportunities afforded to the appellant-allottee and its failure to

clear even the admitted dues, the Authority rightly upheld the cancellation. The impugned order does not suffer from any illegality, perversity or jurisdictional error warranting interference in appeal.

18. Consequently, the appeals are dismissed.

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

20. Files be consigned to records.

Justice Rajan Gupta
Chairman
Haryana Real Estate Appellate Tribunal

Dinesh Singh Chauhan
Member (Technical)

October 8, 2026

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