



2026:DHC:3799



\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Reserved on: 27<sup>th</sup> February, 2026*

*Pronounced on: 05<sup>th</sup> May, 2026*

+ **RFA 283/2021, CM APPL. 25354/2021 & CM APPL. 13405/2026**

**MANJIT SINGH**

S/o Late Major Madan Singh

R/o H-31, Ground Floor, Masjid Moth,

Greater Kailash-II, New Delhi.

.....Appellant

Through: Mr. Achin Goel and Mr. Rakesh  
Kumar, Advocates.

versus

**M/S CAPITOL ESTATES PVT. LTD.**

Apartment No.107 B/1,

The Capital Court,

Olof Palme Marg, Munirka,

South West Delhi, Delhi.

.....Respondents

Through: Mr. Vaibhav Kalra, Ms. Neha  
Bhatnagar and Ms. Yashika Jorwal,  
Advocates.

**CORAM:**

**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA**

**J U D G M E N T**

**NEENA BANSAL KRISHNA, J.**

1. Appeal under Section 96 read with Order XLI Rule 1 of CPC has been filed on behalf of the Appellant Manjit Singh against Final Order and Decree dated 09.04.2021, whereby Suit of the Plaintiff / Respondent for Specific Performance, Damages, etc., *has been decreed against Appellant* for Rs.1,30,00,000/- along with proportionate cost and pre-Suit interest with effect from 25.10.2011 @ 12% per annum, *pendente-lite* interest @ 6% per annum, *in terms of alternate prayer in the Suit.*



2. Plaintiff / Respondent M/s Capitol Estates Pvt. Ltd. filed the Suit bearing *CS No.10563/2016 for Specific Performance of Agreement to Sell dated 03.11.2009 and in the alternative sought refund of sum of Rs.1,30,00,000/-* along with interest @ 24% per annum paid by the Plaintiff Company under the Agreement to Sell and also to **award Damages** on account of non-performance of Agreement to Sell by the Defendant.

3. **Facts and briefs**, as narrated in the Plaint were that the Plaintiff Company was in the business of real estate investment and the Directors were interested in purchasing the Apartment for giving it on rent for the time being and later for their personal use. The two Directors in the Plaintiff Company were, Mr. Deepak Manchanda and his wife Mrs. Renu Manchanda, each holding 50 percent of share in the Company. As such, the Company is an alter ego of Mr. Deepak Manchanda and his wife Mrs. Renu Manchanda, who were currently residing in an Apartment adjacent to the Property in question.

4. The Plaintiff entered into an Agreement to Sell dated 03.11.2009 with the Defendant / Appellant Manjit Singh in respect of entire First Floor, in the proposed Building on Plot No.H-31, Masjid Moth, Greater Kailash-II, New Delhi (admeasuring 1,500 square feet) comprising of three bedrooms with attached bathroom, drawing, dining, kitchen, balcony in front and rear and other details along with servant quarters on the terrace of Third Floor with attached bathroom (admeasuring 100 square feet) with two reserved car parking on the Ground Floor, for a total sale consideration of Rs.1,70,00,000/-. A sum of Rs.5,00,000/- were paid at the time of the execution of the Agreement to Sell as the booking amount and Rs.95,00,000/- were linked to the construction of the building, within next



12 months as per Annexure-II of the Agreement. The remaining Rs.70,00,000/- were to be paid at the time of handing over of physical possession of the Apartment and the execution of the Sale Deed, in the name of the Plaintiff Company.

5. *Clause 9 of the Agreement* provided that in the event Defendant fails to execute and register the Sale Deed in favour of the Plaintiff Company, it shall be entitled to enforce the Agreement, apart from its other Rights. It also provided that if, on account of circumstances beyond the control of the Defendant, the work of the Apartment is not completed on or before 31.10.2010, then on the request of the Defendant, Plaintiff shall extend the time of the registration of the Sale Deed and delivery of possession till 30.11.2010. If there was a delay beyond that date, the Plaintiff Company would be entitled to claim interest at the rate of 24% per annum, on the price paid till the registration of the Sale Deed.

6. The Plaintiff Company asserted that a total sum of Rs.1,30,00,000/- had been paid. In fact, excess amount of Rs.30,00,000/- was also paid, even though the same was not due on the said date. The Defendant was obligated to hand over the possession and execute the Sale Deed by 30.11.2010. However, despite repeated requests Defendant not only failed to perform the part of obligation under the Agreement, but also failed to respond to the Letters of the Plaintiff dated 09.01.2011, 04.04.2011 and 22.09.2011. Having not received any response from the Defendant, the Plaintiff Company gave a Notice dated 21.11.2011, asserting that it has paid Rs.1,30,00,000/- that till date and last and final opportunity was given to the Defendant, to comply with the Agreement to Sell.



7. The Plaintiff reiterated that it was willing to perform its part of the obligation and make payment of Rs.40,00,000/-, at the time of execution of Sale Deed. The Defendant however, failed to respond or to execute the Sale Deed. In fact, in order to wriggle out of the obligations under Agreement to Sell, Defendant No.1 purportedly sought to execute a Gift Deed in respect of the Apartment, in favour of his daughter (i.e. Defendant No.2), in complete disregard and blatant breach and violation of the terms of only Agreement to Sell dated 03.11.2009. The Plaintiff claimed that said purported Gift Deed executed by Defendant No.1, was a sham transaction and is null and void.

8. The Defendant with a *mala fide* intention of extracting more money and in breach of his obligations under the Agreement, refused to hand over the physical possession of the Apartment and failed to execute the Sale Deed. Moreover, the Defendant turned dishonest, as the prices of Property were rising. *The Defendant in fact, contacted brokers in order to sell the Apartment to third party.*

9. Furthermore, Defendant No.1's dishonest and *mala fide* intention was evident from the fact that he was seeking to rely on ***purported Second Agreement to Sell dated 03.11.2009***, in respect of the Apartment, when no such Agreement to Sell exists. The purported Second Agreement to Sell is a rank forgery and an orchestrated document that is created by Defendant No.1, in furtherance of his fraudulent design to extract more money.

10. The Plaintiff thus, sought *Specific Performance of Agreement to Sell dated 03.11.2009 and for handing over of peaceful possession of the Suit Property and also to declare second Agreement to Sell dated 03.11.2009 as null and void and alternatively prayed to direct the Defendant forthwith to refund the sum of Rs.1,30,00,000/- along with interest @ 24% per annum*



*and also to pay the Damages equivalent to the difference in the market value of the Apartment on such date, when the Suit is finally disposed of by this Court.*

**11. The Defendant in its Written Statement took the preliminary objection** that the Suit was not maintainable, as it did not disclose any cause of action. It was claimed that the Suit has been filed only on the basis of Agreement to Sell dated 03.11.2009, when in fact, not one but there were two Agreements executed between the parties on 03.11.2009, for two different amounts. In one Agreement, the sale consideration was reflected as Rs.1,70,00,000/-, while in the other Agreement, it was mentioned as Rs.1,00,00,000/-. In fact, the sale consideration of the Apartment was agreed to be Rs.2,70,00,000/-, but at the behest of the Plaintiff, two separate Stamp Papers were purchased and the sale consideration was divided into two Agreements to Sell both dated 03.11.2009. The major difference in both the Agreements to Sell, was pertaining to Clause 2 of the Agreement.

**12.** The Plaintiff has filed the Suit for Specific Performance only on the basis of one Agreement to Sell, but has not referred to or mentioned about the Second Agreement to Sell and has also not reflected that the total collective sale consideration was Rs.2,70,00,000/-. The Plaintiff has not approached the Court with clean hands and has abused the process of the Court. There cannot be Specific Performance of part-Agreement, when a total sale consideration of Rs.1,40,00,000/-, yet remained to be paid.

**13.** It was further stated that Plaintiff defrauded the Defendant by first offering to finance the carrying out of new construction over his old house, by getting it erased and then making him sign two separate Agreements to Sell for a total sale consideration of Rs.2,70,00,000/-. Since the Property has



already been transferred on 05.12.2011 through Registered Gift Deed, the present Suit has become infructuous.

**14.** It was admitted that the Suit Property has been transferred by Defendant No.1 to his daughter (Defendant No.2) *vide* Registered Gift Deed on 05.12.2011. It was explained that since the Plaintiff for dishonest reasons had not disclosed the Second Agreement to Sell dated 03.11.2009, the Defendant was well within his right to execute the Gift Deed in favour of his daughter / Defendant No.2, out of love and affection. It was denied that the Gift Deed had been executed simply to wriggle out of the liabilities under the Agreement to Sell.

**15.** It was stated that despite the abuse of process of the Court by the Plaintiff and that the Defendant is reserving his right to claim damages, *but was still prepared to return Rs.1,30,00,000/- received by him, despite the fraud and cheating.*

**16. On merits,** the averments made in the Plaint are denied and it is asserted that the Suit is liable to be dismissed.

**17. The Plaintiff in the Replication, reaffirmed** the assertions made in the Plaint. It was stated that this Court *vide* Order dated 28.11.2011 had directed *Status Quo*. The stay Order was duly dispatched and served upon Defendant No.1, who had wilfully, intentionally and purposely executed the Gift Deed, thereafter. It is submitted that the Suit of the Plaintiff is entitled to be decreed in his favour.

**18.** At this stage, an oral prayer was made on behalf of the Plaintiff before the learned Trial Court for disposal of the Suit for Specific Performance etc., by decreeing it for the alternate relief of recovery of Rs.1,30,00,000/- along with interest @ 24% per annum.



19. **Ld. District judge** observed that the Defendant Manjit Singh (Appellant herein) did not raise any credible challenge towards the claim for return of Rs.1,30,00,000/-. After perusing the report and considering the submissions of the parties, the Suit of the Plaintiff was decreed for Rs.1,30,00,000/- along with proportionate cost and pre-Suit interest with effect from 25.10.2011 @ 12% per annum, *pendente-lite* interest @ 6% per annum and future interest @ 9% per annum, ***under Order XII Rule 6 of CPC.***

20. It was further directed that the Defendant is restrained from creating any third-party rights in respect of the Suit Property, till the payment is made.

21. Aggrieved by the said Judgement, **present Appeal** has been preferred on behalf of the **Defendant / Appellant Manjit Singh.**

22. ***The grounds of challenge are*** that the pertinent question to be answered is whether a person, who obtains stay at its own peril and who made sure that the Property is not utilised in any manner, can now be awarded with interest. If the Respondent *in limine* would have sought refund of Rs.1,30,00,000/-, the Appellant would have refunded the same *forthwith*, but since the intention of the Respondent was *mala fide*, it shows the different path. It is a classic case where the Respondent had been harassing the Appellant over the years and when the Appellant refused to succumb to the Respondent, then moulded its relief to this extent, and the learned Trial Court without appreciating, has decreed it in favour of the Respondent.

23. The Appellant claims that the Respondent's intention from the outset, was to somehow get the title of the Suit Property, while he played fraud upon the Appellant, which aspect should have been considered while



deciding the matter. The Respondent *in fact*, is in the real estate brokerage business, who induced the old aged senior citizen to execute two Agreement to Sell, since it would have helped him in some tax benefit.

**24.** The Appellant fell prey to this proposal since not only was Respondent a neighbour, but also was in the real estate brokerage business and the Appellant had every reason to believe that the Respondent being in this business, was well aware of the procedures, dealings and most importantly the documentation. It is at the behest of the Respondent, that two Agreement to Sell were executed; one for Rs.1.70 Crores while the other was for Rs.1 Crore, which had been concealed and not brought on record.

**25.** It has not been appreciated that when the Appellant brought on record the existence of two Agreement to Sell in his Written Statement, he also offered to simultaneously refund of Rs.1.30 Crore, which had been received by him, but the Respondent refused to take the same for securing the decree of Specific Performance in his favour. When confronted with the disclosure about the two Agreement to Sell in the Written Statement of the Appellant, he brought out a completely new theory in the Replication that the Agreement to Sell was signed in duplicate and each party retained one original.

**26.** Even this fact was nowhere disclosed in the Plaint or in any of the Agreements, which shows that the story of the Respondent, was an afterthought created after being exposed by the Appellant, in the Written Statement. By concealing the material facts, the Respondent succeeded in getting an *ex-parte* Order from this Court on 28.11.2011 i.e. the first date of hearing. The Respondent had created a picture that out of Rs.1.70 Crores,



Rs.1.3 Crores were paid despite the fact that it is Appellant, who had failed to honour the Agreement to Sell.

**27.** The Respondent erroneously alleged on 21.08.2012 that the Appellant, who was living on the Ground Floor of the Property, was trying to shift to the First Floor, which would be in breach of *status quo* Order dated 28.11.2011. This led the Local Commissioner to be appointed to verify the status of the Property.

**28.** A Report dated 03.09.2012 was submitted by the Local Commissioner wherein it was specifically mentioned that the Suit Property was lying unoccupied and only one *sofa* was found lying in the Suit Property. The Appellant was in possession (though not occupied) of the Suit premises and was denied the right to use and occupy the Suit premises *vide* Order dated 19.09.2012. The Appellant has not been allowed to utilise his own Property in any manner; since it was so at the instance of the Respondent, he must be put to peril for the same. The Suit Property was kept vacant on the request of the Respondent and could never be utilised by the Appellant.

**29.** The Appellant was able to substantially prove during the cross-examination, about the existence of two Agreement to Sell. The Respondent in a bid to cover the forgery, made-up a cooked-up story of the Agreement to Sell being signed in duplicate. In fact, two stamp papers had been purchased, which would not have been necessary if the Agreement to Sell was being prepared in duplicate. Pertinently, the witnesses to both the Agreement to Sell, were different. Even the Clause 2 in both the Agreements, was in different. It is quite evident from the comparison of the two Agreements to Sell that they were distinct Agreements and of the first Agreement to Sell.



30. Mr. Deepak Manchanda, one of the Directors of the Respondent, consistently maintained that he had signed only one Agreement to Sell and not on the photocopy, but when confronted with the second Agreement to Sell, Ex.PW-1/X1, he accepted that the documents contained the original signatures. The contention of the Appellant thus, stands vindicated that he was never provided with the original copies of the Agreements and both the originals were retained by the Respondent.

31. Ms. Renu Manchanda, witness to both the Agreements when confronted with the aforesaid documents, was exposed in the same manner as was Mr. Deepak Manchanda.

32. It was asserted by the Appellant that having unearthed the perjurious conduct of the Respondent, he had filed an Application under Section 340 Cr.P.C., 1973 before the learned Trial Court, for investigation of the offences under Sections 193 and 209 of the Indian Penal Code, 1860, which is pending adjudication.

33. It is submitted that because it is the Respondent, who refused to accept the return of Rs.1,30,00,000/- despite being offered on the first date, he cannot claim the interest on the said amount. Therefore, the impugned Judgment and decree dated 09.04.2021, be set-aside.

**34. The Appellant in support of his assertions had filed the Written Submissions, reiterating his claim, as stated in the plaint.**

**Submissions heard and the record perused.**

35. The Plaintiff/Respondent had filed a Suit for Specific Performance of Agreement to Sell dated 03.11.2009 and in the alternative, had sought a declaration that this Agreement to Sell be declared null and void and the



amount of Rs.1,30,00,000/- along with the interest @24% p.a., be refunded to the Plaintiff/Appellant.

**36.** While the Suit was being tried in accordance with law on 09.04.2021, a request was made by the Plaintiff/Respondent that the Suit may be disposed of in terms of the alternate relief of Rs.1,30,00,000/- with interest @24% p.a.

**37.** The *learned District Judge* considered the rival pleadings, as well as, submissions of the parties, opined that the Suit could be disposed of in exercise of the power under Order XII Rule 6 CPC. It was observed that in the Written Statement, the Defendant/Appellant had admitted that a sum of Rs.1,30,00,000/- have been received in terms of the Agreement to Sell dated 03.11.2009. The Appellant as per his own submissions, was willing to return the amount *forthwith* as was mentioned in the Written Statement, as well as, submitted in the Court. The learned Senior Advocate appearing on behalf of the Plaintiff/Respondent submitted that the Plaintiff was willing to accept whatever interest is granted by this Court. Consequently, the Suit of the Plaintiff was decreed in the sum of Rs.1,30,00,000/- along with the pre-suit interest w.e.f. 25.10.2011 @12% p.a. *pendent lite* interest @6% p.a. and future interest @9% p.a.

**38.** The *only ground of challenge in the present Appeal* is that the respondent had concealed material facts by not bringing the second Agreement to Sell of the same day for the same Property, whereby the sale consideration was agreed at Rs.1 Crore. The total consideration, therefore, was Rs.2,70,00,000/- and not Rs.1,70,00,000/- as was claimed by the Plaintiff. Moreover, it is the Respondent, who had sought an Injunction from this Court, which was granted on the first day i.e. 28.11.2011.



**39.** The Appellant may be right to the extent of the second Agreement to Sell for Rs.1 Crore in respect of the Suit Property not being disclosed, but the fact remains that the payment of Rs.1,30,00,000/- had been made in the Agreement to Sell dated 03.11.2009, which was the subject matter of this Suit. In any case, the Defendant had produced the second Agreement to Sell immediately on filing of his Written Statement. Therefore, even though, the Plaintiff did not produce the second Agreement to Sell, it does not deny him the right to recover Rs.1,30,00,000/-, which he had admittedly paid.

**40.** The *second ground* was that the Appellant is *not entitled to any interest* as the Appellant was willing to return the money since beginning, though the Respondent declined to accept the same as he intended to seek Specific Performance of the Agreement to Sell.

**41.** This contention of the Appellant to challenge the interest component on the ground that he was willing to refund the money *forthwith*, is also not tenable for the simple reason that the Plaintiff had absolute right to seek the legal remedy by way of Specific Performance of the Agreement to Sell. Eventually, after the trial had proceeded for long, the Respondent in the wisdom, may have agreed to settle for the alternate prayer of refund of his amount, but the endeavour of the Respondent to seek his legal remedy, cannot be held against him.

**42.** The *third challenge* of the Appellant is that though, the Appellant was willing, but he obtained a *status quo* on the first date of the hearing in the matter and thereby delayed the payment.

**43.** However, this Argument is again without any basis for the simple reason that if the Appellant was inclined to deposit the amount, there was nothing which prevented him from doing so in the Court. The Appellant



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admittedly enjoyed this amount from the date when it was paid to him till the date, the amount is refunded. Having utilised this amount which rightfully has to be returned to the Respondent, he cannot claim that mere payment of interest for this period when the money was retained by him, is an onerous condition or that the Respondent is not entitled to the interest component.

**44.** The learned District Judge has equitably balanced the rate of interest by granting different rate for pre-institution, *pendent lite* and post order interest.

**45.** **There is no merit in the present Appeal**, which is hereby, dismissed. The pending Applications, if any, are disposed of accordingly.

**(NEENA BANSAL KRISHNA)  
JUDGE**

**MAY 05, 2026/RS/R**