

BEFORE THE TAMIL NADU REAL ESTATE APPELLATE TRIBUNAL
(TNREAT)

(Tamil Nadu, Puducherry, Andaman & Nicobar Islands)

Under the Real Estate (Regulation and Development) Act, 2016

Reserved on: 29.04.2026

Delivered on: 03.06.2026

Coram : Hon'ble Mr.Justice M.Duraiswamy, Chairperson
Mr.K.Babu, Judicial Member
Selvi Apoorva, I.A.S. (Retd.) Administrative Member

Appeal No.8 of 2026
and
M.A.Nos.24, 25 & 75 of 2026

M/s.Alliance Villas Private Limited,
rep. by its Managing Director, Sai Manoj Namburu,
Now rep. by its Authorized Signatory, K.Manivannan

... Appellant

Vs.

1. Vasanthakumar
2. M.Rajavalli

... Respondents

Appeal has been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 to set aside the order dated 28.10.2025 passed in C.No.131 of 2024 passed by the Tamil Nadu Real Estate Regulatory Authority (TNRERA), Chennai.

For Appellant : Mr.V.V.Giridhar
for Mr.A.Joseph Dorairaj

For Respondents : Mr.A.Karthikeyan

ORDER

Challenging the order passed in C.No.131 of 2024 dated 28.10.2025 on the file of the TNRERA, the promoter has filed the above appeal.

2. The brief facts that are relevant for the disposal of the above appeal are as follows:

The appellant/promoter developed a project in the name of 'Alliance Jasmine Springs'. The respondents/complainants booked a 2 BHK Flat bearing No.218 measuring a carpet area of 477 sq. ft. with 183.85 sq. ft. undivided share of land (UDS). The Sale and Construction Agreements were executed on 29.10.2019. Subsequently, a new Construction Agreement was entered on 05.04.2023 and the same was registered on 08.05.2023. A Sale Deed was also entered and registered on 08.05.2023. The total Sale Consideration of the Flat, including GST was Rs.36,20,769/-, out of which, the respondents/complainants had paid only a sum of Rs.31,74,745/-. The respondents/complainants did not come forward to make the payments within the time stipulated. The appellant/promoter had sent a demand letter dated 26.06.2020 and also sent reminders on 28.07.2020, 19.10.2020, 06.02.2021 & 22.05.2021 demanding payment of the outstanding amount of Rs.10,39,820/-. But, the respondents/complainants made payment of Rs.5,50,000/- on 15.11.2021, Rs.3,00,000/- on 06.03.2023 and Rs.2,00,000/- on 07.03.2023. The appellant/promoter terminated the Agreements through an e-mail dated 24.05.2021. The respondents/complainants approached the appellant/promoter and assured to

make the payments with delayed payment charges and the appellant/promoter had also agreed for the same as a good will gesture. The appellant/promoter had sent a reminder on 09.11.2021 and also a reminder letter on 15.12.2021 demanding payment of the outstanding amount of Rs.9,89,820/-, but the respondents/complainants made the payment of Rs.1,79,220/- and Rs.3,10,603/- only on 10.03.2023, after a lapse of 1136 days. The interest on delayed payment of Rs.4,86,094/- had not been paid inspite of the e-mails dated 30.03.2022 and 14.02.2023. The respondents/complainants, without disclosing the fact of non-payment of the amount, filed the complaint before the TNRERA. The TNRERA, while allowing the complaint directed the appellant to hand over the possession and keys of Flat No.218 in 'Alliance Jasmine Springs', Thaiyur. The TNRERA also directed the appellant to hand over the original documents (Construction Agreement & Sale Deed) dated 08.05.2023 and to hand over the Property Tax Card, EB Card and Water Tax Card to the respondents/complainants. Aggrieved over the said order passed by the TNRERA, the appellant/promoter has filed the above appeal.

3. According to the learned counsel for the appellant/promoter, the respondents/complainants booked a 2 BHK Flat measuring a carpet area 477 sq. ft. and having UDS of 183.85 sq. ft. in the 'Alliance Jasmine Springs' developed by the appellant/promoter. The cost of the Flat was Rs.36,20,769/- and the respondents/complainants did not make the payments regularly and had paid only a sum of Rs.31,74,745/- and a balance of Rs.3,63,095/- is still payable by the

respondents/complainants towards interest on delayed payment. The respondents/complainants, without paying the entire amount within the time stipulated claimed possession of the Flat by filing a complaint in C.No.131 of 2024 before the TNRERA. The TNRERA, without considering the provisions of Section 19(6) of the RERA Act and Rule 19(2) of the TNRERA Rules and Clause 4(a) of the Construction Agreement dated 08.05.2023 and also without considering the fact that the respondents/complainants had not paid the entire amount, allowing the complaint and directing the appellant/promoter to hand over the possession of the Flat and the original documents, is not in accordance with law and is liable to be set aside.

4. On the other hand, the learned counsel appearing for the respondents/complainants contended that the respondents/complainants booked a 2 BHK Flat bearing No.218 in 'Alliance Jasmine Springs' for a total Sale Consideration of Rs.36,20,769/-. Out of which, an amount of Rs.14,01,122/- was directly paid by way of loan from Axis Bank and the balance of Rs.22,19,647/- was paid by the respondents/complainants. Initially, the booking was made in the name of the 1st respondent's father, viz., Madasamy and paid Rs.5,000/-. Later, the said booking was transferred in the name of the respondents/complainants. The appellant/promoter issued the Statement of Accounts on 27.10.2021, claiming a sum of Rs.4,69,624/- towards interest for delayed payment and refused to hand over the possession of the Flat and the registered documents relating to the Flat. Hence, the

respondents/complainants had approached the Inspector of Police (L & O) Kotturpuram. The Inspector of Police, Kotturpuram in his letter dated 11.12.2023 had stated that an amount of Rs.3,63,095/- is to be paid by the respondents/complainants towards interest for the delayed payment to the appellant/promoter and the appellant/promoter also was willing to reduce a further sum of Rs.1,00,000/-. But, as per the Statement of Accounts dated 27.10.2021, the amount due towards delayed payment of interest was Rs.4,69,624/-. Hence, the appellant/promoter is inconsistent in claiming the interest on delayed payment and there is lack of transparency, no prior notice of such interest demand was ever served on the respondents/complainants and the appellant/promoter failed to raise any such plea before the TNRERA and remained *ex-parte* inspite of notice having been served on them.

5. The learned counsel appearing for the respondents/complainants contended that the respondents/complainants had paid the entire Sale Consideration of Rs.36,20,769/-. The Completion Certificate was also issued on 11.08.2022 and a Sale Deed was also registered in favour of the respondents/complainants on 08.05.2023. Inspite of the payment of entire amount of Rs.36,20,769/-, the appellant/promoter did not come forward to hand over the possession of the Flat No.218 and also failed to hand over the original documents of the Flat. Hence, the respondents/complainants filed the complaint before the TNRERA. According to the learned counsel appearing for the respondents/complainants, the TNRERA, after

considering all circumstances, passed an order to hand over the possession of the Flat and the original documents and also to hand over the Property Tax Card, EB Card and Water Tax Card to the respondents/complainants after transferring in the name of the respondents/complainants, which is in accordance with law and prayed for dismissal of the appeal. In support of his contention, the learned counsel appearing for the respondents/complainants relied upon the following orders:

- (i) Appeal No.47 of 2020 [1) SP Arulappa 2) G.Premalatha
Vs. M/s. A.N.Builders, rep. by its Proprietor]***
- (ii) R.C.P.No. 114 of 2022 [Maanusha Devi M
Vs. M/s.Alliance Villas Pvt. Ltd.]***

6. Heard both sides.

7. The Miscellaneous Applications in M.A.Nos.25 & 75 of 2026 have been filed by the appellant/promoter for receiving additional documents. The documents which are sought to be filed in the appeal are having no relevancy and it will not be helpful for the adjudication of the present appeal. Hence, the applications are liable to be dismissed.

8. The admitted facts are that the appellant is a promoter, who developed a project in the name of 'Alliance Jasmine Springs' where the respondents/complainants booked a 2 BHK Flat bearing No.218 measuring carpet area 477 sq. ft. with 183.85 sq. ft. undivided share of land (UDS). The total Sale Consideration of the said Flat was Rs.36,20,769/-.

9. According to the learned counsel appearing for the appellant/promoter, the respondents/complainants had not made the entire payment and an amount of Rs.3,63,095/- is still remaining unpaid towards the interest for delayed payment and as per Section 19(6) of the Real Estate (Regulation and Development) Act, 2016, every allottee, who entered into an Agreement for Sale shall be responsible for making necessary payment as per the Agreement of Sale and further, as per Rule 19(2) of the Tamil Nadu Real Estate (Regulation and Development) Rules, 2017, the respondents/complainants are not entitled to claim any compensation from the appellant in the case of default in making timely payment, hence, according to the learned counsel appearing for the appellant/promoter, the order passed by the TNRERA in C.No.131 of 2024 is not in accordance with law .

10. It would be appropriate to extract Section 19(6) of the Real Estate (Regulation and Development) Act, 2016 and Rule 19(2) of Tamil Nadu Real Estate (Regulation and Development) Rules, 2017, which reads as follows:

Section 19(6) of the Real Estate (Regulation and Development) Act, 2016:

“...

(6) Every allottee, who has entered into an agreement for sale to take an apartment, plot or building as the case may be, under section 13, shall be responsible to make necessary payments in the manner and within the time as specified in the said agreement for sale and shall pay at the proper time and place, the share of the registration charges, municipal taxes, water and electricity charges, maintenance charges, ground rent, and other charges, if any.

...”

Rule 19(2) of Tamil Nadu Real Estate (Regulation and Development) Rules, 2017:

“...

2) In case of termination of the agreement as per the terms recorded therein, such refund and/or penalty and/or compensation shall be made by the party-in-breach to the other party simultaneous to the execution of appropriate cancellation agreement and registration, if required. If the defaulting party fails to come forward for execution of registration agreement, the Authority shall have the right to execute such agreement on behalf of the defaulting party.

The entitling allottee shall get full refund at any time if the builder has not followed the time schedule. The builder shall not keep 10% of the booked value of the property. If the allottee defaults in making timely payment as per terms of the agreement, the allottee shall not have the right of claiming any interest or compensation from the promoter.”

11. A perusal of the aforesaid provisions would show that the allottee shall make the payment in the manner and within the time as specified in the Agreement for Sale. The learned counsel appearing for the respondents/complainants repudiated the contention of the appellant/promoter and contended that the respondents/complainants paid the entire amount of Rs.36,20,769/-. A Sale Deed was executed and registered in favour of the respondents/complainants on 08.05.2023. The said fact was not denied by the appellant/promoter. The said registered Sale Deed dated 08.05.2023 executed in favour of the respondents/complainants would show that the respondents/complainants have fulfilled their contractual obligations and are entitled to take possession of their Flat. A perusal of the Sale Deed dated 08.05.2023 would show that the entire Sale Consideration has been paid.

12. Further, Clause 4(a) of the Construction Agreement dated 08.05.2023 stipulates the date of handing over possession on or before September 2021, but, the Completion Certificate was obtained only on 11.08.2022, which would show that the appellant/promoter had delayed the project and the Flat was not handed over to the respondents/complainants as promised in the Construction Agreement. Hence, claiming Rs.3,63,095/- towards interest on alleged delayed payment is not sustainable.

13. Moreover, the above said claim of Rs.3,63,095/- had not been made before the TNRERA and no documents were filed by the appellant/promoter before the TNRERA. In fact, the appellant/promoter made contradictory claim regarding the interest on alleged delayed payment that an amount of Rs.4,69,624/- is due to be paid as per the Statement of Accounts dated 27.10.2021, but claimed Rs.3,63,095/- before the Inspector of Police, Kotturpuram and this Tribunal. Further, no prior notice was served on the respondents/complainants in respect of the said claim. In spite of making the entire payment by the respondents/complainants, the appellant/promoter, withholding the possession of the Flat No.218 of the respondents/complainants and not handing over the original documents of the said Flat are without any acceptable reasons.

Section 17 of the RERA Act reads as follows:

“17.(1) The promoter shall execute a registered conveyance deed in favour of the allottee along with the undivided proportionate title in the common areas to the association of the allottees or

the competent authority, as the case may be, and hand over the physical possession of the plot, apartment or building, as the case may be, to the allottees and the common areas to the association of the allottees or the competent authority, as the case may be, in a real estate project, and the other title documents pertaining thereto within specified period as per sanctioned plans as provided under the local laws:

Provided that, in the absence of any local law, conveyance deed in favour of the allottee or the association of the allottees or the competent authority, as the case may be, under this section shall be carried out by the promoter within three months from date of issue of occupancy certificate.

(2) After obtaining the occupancy certificate and handing over physical possession to the allottees in terms of sub-section (1), it shall be the responsibility of the promoter to handover the necessary documents and plans, including common areas, to the association of the allottees or the competent authority, as the case may be, as per the local laws:

Provided that, in the absence of any local law, the promoter shall handover the necessary documents and plans, including common areas, to the association of the allottees or the competent authority, as the case may be, within thirty days after obtaining the [completion] certificate.”

14. Hence, the above provision mandates the promoter to hand over the possession of the Apartment along with the necessary documents to the allottee on receiving the entire Sale Consideration. In the case on hand, despite the entire payment was made by the respondents/complainants, the appellant/promoter withheld both possession and original documents in violation of the above statutory obligation under the RERA Act.

15. In such circumstances, considering the contention raised by the learned counsel appearing for the respondents/complainants and the orders produced in

support of his contention, the claim of the respondents/complainants that inspite of receiving the entire payment by the appellant/promoter and not handing over the possession of the Flat is against law and also against the terms of Construction Agreement and Sale Deed dated 08.05.2023 is acceptable.

16. In view of the above discussions, the TNRERA after analyzing all circumstances, had rightly come to the conclusion and passed the following order: (i) directing the appellant/promoter to hand over the possession and keys of Flat No.218 in Alliance Jasmine Springs, Thaiyur; (ii) directing the appellant/promoter to deliver the original documents (Construction Agreement & Sale Deed) dated 08.05.2023 and (iii) to hand over the Property Tax Card, EB Card and Water Tax Card to the respondents/complainants.

17. We do not find any reason to interfere with the order passed by the TNRERA and the appeal is liable to be dismissed. Accordingly, the same is dismissed. The Miscellaneous Application in M.A.No.24 of 2026 is closed. The Miscellaneous Applications in M.A.Nos.25 and 75 of 2026 are also dismissed.

Sd/- xxxx
JUSTICE M.DURAIWAMY
CHAIRPERSON
03.06.2026

Sd/- xxxx
K.BABU
JUDICIAL MEMBER
03.06.2026

Sd/- xxxx
SELVI APOORVA, I.A.S. (RETD.)
ADMINISTRATIVE MEMBER
03.06.2026

Copy to

1. The TNRERA
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3. M.Rajavalli
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