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: 12.08.2026

Delivered on: 19.08.2026

Coram : Hon'ble Mr.Justice M.Duraiswamy, Chairperson
Mr.K.Babu, Judicial Member

Appeal No.75 of 2026

K.Namasivayam ... Appellant

Vs.

1. M/s.Casa Grande Smart Values Homes Private Limited
rep. by Authorized Signatory : R.Aravind

2.State Bank of India
rep. by The Assistant General Manager ... Respondents

Appeal has been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 to set aside the order dated 27.05.2026 passed in C.C.P.No.29 of 2025 on the file of the learned Adjudicating Officer, TNRERA Chennai and to allow the complaint and award compensation/rental compensation as claimed.

For Appellant : Ms. B.Sandhiya

ORDER

Challenging the order passed in C.C.P.No.29 of 2025 dated 27.05.2026 on the file of the learned Adjudicating Officer, TNRERA, the complainant has filed the above appeal.

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

The 1st respondent is the promoter of the project "Casagrand Divinity" situated at Karanai Village, Vandalur Taluk. The 2nd respondent State Bank of India advanced housing loan to the allottee. The appellant/complainant booked Villa No.11 in CG-Divinity in Block-3. At the time of booking the Villa, on 28.03.2023 the appellant had paid a sum of Rs.1,00,000/- as an advance. The appellant was allotted Villa No.11 in CG-DIVINITY through an Allotment Letter dated 28.03.2023. The total Villa cost was fixed as Rs.2,00,89,366/-, excluding corpus fund and registration charges. The appellant obtained loan for a sum of Rs.1,50,59,000/- from the 2nd respondent for purchasing Villa No.11 in CG-Divinity in Block-3 from the 1st respondent. The Sale and Construction Agreements were also entered on 29.03.2023 (Ex.A3, A4). The 1st respondent raised demand on commencement of the 2nd floor roof on 28.03.2023. The appellant found that the date of handing over in the Construction Agreement was shown as April 2027. The said fact was immediately brought to the notice of both the respondents. The 1st respondent had contacted the 2nd respondent and assured to hand over the Villa by July 2023 and latest by September 2023. In the mean time, the 2nd respondent released the loan amount of Rs.58.63 lakhs on 31.03.2023 and Rs.76.37 lakhs, totally an amount of Rs.1.35 crores of loan amount was disbursed by the 2nd respondent. The appellant was not provided with any details for disbursing only Rs.1.35 crores as loan amount to the 1st respondent. According to the appellant, he has paid an amount of Rs.19,08,937/- on 30.03.2023.

3. On receipt of the payment of Rs.1,55,08,937/-, the 1st respondent sent an e-mail dated 05.04.2023 that the Villa will be handed over in December 2023 with three months grace period (i.e.) by March 2024. On 12.04.2023, the wife of the appellant has visited the property and found that only RCC Frame Work and Roof Slab of 1st floor was partially completed. To the shock and surprise, the appellant received an e-mail dated 17.04.2023 (Ex.A14) from the 1st respondent demanding an amount of Rs.35,75,961/- against the terms of Construction Agreement. The 1st respondent also sent another e-mail dated 05.09.2023 (Ex.A22) raising another demand of Rs.3,57,000/-. Towards the said demand, the appellant had already paid Rs.3,23,466/- on 26.04.2023 (Ex.A19). On 05.09.2023, the 1st respondent informed the appellant through an email that due to escalation in registration cost, the appellant should pay an amount of Rs.7,44,240/-. Whileso, to the shock and surprise of the appellant, the 1st respondent sent an e-mail on 06.10.2023 titled as 'Work Halt Notice' by stating that the 1st respondent halted the construction work in Villa and

registration and NOC clearance for the appellant Villa will be delayed, following which handing over of the Villa will also be delayed by another six months.

4. After having received almost 80% of the amount towards the Villa, the 1st respondent sent a legal notice on 27.02.2024 (Ex.A28) and an e-mail dated 29.02.2024 (Ex.A29) stating that the 1st respondent terminated the booking by the appellant and open the Villa for sale as per Company guidelines due to non-payment of an amount of Rs.35,75,961/- and delay charges of Rs.6,19,253/- approximately. It is further stated that 10% of the amount will be deducted from the total amount paid till date and balance amount will be refunded after deductions provided. Inspite of the efforts made by the appellant to visit the site, the same was in vain. The appellant had almost paid 80% of the payment based on the representation of the marketing team of the 1st respondent that the Villa will be ready to occupy in the month of July 2023, but the 1st respondent had been postponing the date of handing over of the Villa continuously from July 2023 and the 1st respondent failed to honor their promise of handing over the Villa by March 2024. The 2nd respondent informed the appellant on 03.01.2025 that steps would be taken to initiate proceedings under SARFAESI Act against the subject Villa. Hence, the appellant filed the complaint before the Adjudicating Officer claiming compensation of Rs.24,81,340/-, compensation for mental agony of Rs.15,83,340/- and also rental charges amounting to Rs.7,98,000/-.

The learned Adjudicating Officer dismissed the complaint, against which the present appeal has been filed.

5. The crux of the counter filed by the 1st respondent before the Adjudicating Officer:

The claim of the complainant is not tenable in terms of law and not maintainable on facts. The appellant was allotted Villa No.11 in Block-3 in the project "Casagrand Divinity". The 1st respondent and the appellant entered into Construction and Sale Agreements dated 29.03.2023 in respect of the Villa No.11 in Block-3. The project was completed within timeline. The Completion Certificate was obtained from DTCP vide ROC No.4584/2024/MLPA(C.D-5) dated 11.11.2024. The agreed date of completion of subject Villa is April 2027. The Villa was constructed well in advance and made ready for handing over. However, the complainant had not cleared the outstanding dues and also defaulted in paying stage-wise payment as per the agreed schedule. Therefore, as per Section 19(6) of the RERA Act, the appellant should make timely payments as per the agreed payment schedule. The appellant failed to fulfill the contractual obligation and as per Section 19(7) of the Act, the complainant is liable to pay the outstanding principal amount as per the Agreement along with accrued delay charges.

6. The stage-wise progress of the construction was periodically informed in compliance of the terms of the Agreement and Section 19(2) of the RERA Act through

several e-mail communications dated 08.04.2023 17.06.2023, 08.07.2023, 28.08.2023, 23.09.2023, 28.12.2023, 25.01.2024, 28.02.2024, 15.03.2024, 08.04.2024, 08.05.2024 and 28.06.2024. The complainant failed to make proper payments, not only to the 1st respondent, but also to the 2nd respondent Bank which evidences that only due to financial constraints the appellant failed to make the payment. But the appellant without making payments on time, try to shift the blame on the 1st respondent. The agreed stipulated timeline of completion is April 2027 only and there is no breach of any promise.

7. In the e-mail dated 28.10.2023, the 1st respondent has informed the appellant to come forward and complete the registration of Sale Deed. But, the appellant did not come forward to comply with the request for the reasons best known to him. The appellant failed to make payments and did not come forward to complete the Sale Deed registration. The e-mail dated 29.02.2024 would show that the committed payment was not released by the appellant for a long time having principal outstanding of Rs.35,75,961/- and delay charges of Rs.6,19,253/-. The said e-mail dated 29.02.2024 was issued after the legal notice dated 27.02.2024.

8. The appellant filed complaints in C.No.117 of 2024, C.C.P.No.29 of 2025 and R.C.P.No.107 of 2025 against the 1st respondent. The Tripartite Agreement dated 30.03.2023 between the parties governs the terms regarding the loan disbursals and the complainant cannot make acquisitions contravening the same. The complainant

had paid lesser amount towards modification work inspite of full payment as per the Tripartite Agreement dated 30.03.2023. Only on the written requests of the complainant the 2nd respondent disbursed the amount as per the stage-wise schedule. Since the complainant did not fulfill the contractual obligations to the Bank, the Bank had to initiate proceedings under the SARFAESI Act. It is not true that the 1st respondent denied access to visit the Villa by the appellant. If the appellant failed to make proper payment as per the Agreement, the 1st respondent could cancel the booking of the Villa and further the appellant who is not making proper payment, is not entitled to claim compensation under Section 18 and benefits under Section 19(6) of the RERA Act. The Villa is ready for handing over and the sole reason for the delay in registration is the persistent failure of the appellant to honour his financial obligation in accordance with the agreed terms, hence the complaint is to be dismissed.

9. Before the Adjudicating Officer, on the side of the appellant, he was examined as C.W.1 and 81 documents, Exs.A1 to A81 were marked. On the side of the respondent, R.W.1 was examined and 2 documents, Exs.B1 and B2 were marked.

10. Heard Ms.B.Sandhiya, learned counsel appearing for the appellant.

11. The admitted facts are that the appellant booked Villa No.11, in Block-3 in the residential project developed by the 1st respondent "Casagrand Divinity". The appellant paid an advance of Rs.1,00,000/- towards the booking. As per the Allotment

Letter dated 28.03.2023, the appellant was allotted Villa No.11, Block-3. The total cost of the Villa was fixed as Rs.2,00,89,366/- excluding corpus fund and registration charges.

12. The Construction and Sale Agreements were executed between the appellant and the 1st respondent on 29.03.2023. As per the Construction Agreement dated 29.03.2023 (Ex.A3), the construction must be completed by April 2027, but, in the e-mail dated 05.04.2023, the 1st respondent informed the appellant that the date of handing over of the project is December 2023 with 3 months grace period (i.e.) March 2024. Hence, the claim made in the counter by the 1st respondent that the possession to be handed over by April 2027 as per the Construction Agreement is not correct.

13. According to the learned counsel appearing for the appellant, the appellant obtained loan from the 2nd respondent and the 2nd respondent disbursed the loan amount of Rs.58.63 lakhs on 31.03.2023 and Rs.76.37 lakhs, amounting to a total of Rs.1.35 crores. The appellant had paid an amount of Rs.19,08,937/- on 30.03.2023 and including the advance amount of Rs.1,00,000/-, the appellant had paid Rs.1,55,08,937/-. The 1st respondent sent an e-mail on 05.04.2023 stating that the Villa will be handed over by December 2023 with three months grace period, if so, the Villa will be handed over by March 2024. Inspite of making the payment, the 1st respondent demanded a payment of Rs.35,75,961/- by an e-mail dated 17.04.2023,

which is not in accordance with law. Moreover, the appellant has been making the payment on time, but the 1st respondent sent an e-mail dated 29.02.2024 stating that they had terminated the booking made by the appellant and open up the Villa for Sale as per the guidelines due to non-payment of Rs.35,75,961/- and delay charges of Rs.6,19,253/-, is not in accordance with law and the appellant was not allowed to visit his booked Villa.

14. According to the learned counsel appearing for the appellant, the 1st respondent had failed to execute his promise by handing over Villa by March 2024. Hence, the complaint in C.C.P.No.29 of 2025 has been filed by the appellant for claiming compensation and the same was dismissed by the learned Adjudicating Officer. The learned counsel contended that the learned Adjudicating Officer without considering the fact that the appellant is not a defaulter and without deciding the legality of the disputed demand and without deciding the fact as to whether the demand made by the 1st respondent is in accordance with the terms of the Agreement, finding that the appellant is defaulter is not in accordance with law and is liable to be set aside. Further, it has been contended by the learned counsel appearing for the appellant that the stage-wise progress of the Villa has not been sent to the appellant which is in violation of Section 19(2) of the RERA Act. Hence, the order of the learned Adjudicating Officer is liable to be set aside.

15. While considering the e-mail dated 17.04.2023 marked as Ex.A14 sent by the 1st respondent to the appellant demanding an amount of Rs.35,75,961/- becoming due by 25.04.2023 and even on 17.04.2023, an amount of Rs.35,75,961/- was due and if the demand is not paid, the appellant has to bear the late payment charges and the same was brought to the knowledge of the appellant. Further, the 1st respondent, through various e-mails marked as Ex.A20, demanded payment of Rs.35,75,961/- from the appellant. Inpsite of such e-mails, the appellant made no payment and the appellant has not made payment either to the 1st respondent or to the 2nd respondent Bank, which resulted in the 2nd respondent initiating the SARFAESI proceedings, which would show that the appellant was not prompt in making payment either to the 1st respondent or to the 2nd respondent. Further, though the appellant contended that the 2nd respondent has disbursed the amount of Rs.58.63 lakhs and Rs.76.37 lakhs against the terms of Agreement, the said contention without any materials, cannot be accepted.

16. A perusal of Ex.A23 e-mail dated 06.10.2023 'Work Halt Notice' e-mail from the 1st respondent clearly shows that due to non-payment of balance of Rs.37,59,550/- by the appellant, they had to halt the work and in that e-mail it has been stated that due to halt of the work, NOC Clearance for the appellant's Villa will be delayed, following which handing over of the Villa will also be delayed. There is no proper explanation by the appellant for not making the payment as per the schedule

of the Construction Agreement. Inspite of the demand made by the 1st respondent on 17.04.2023, demanding the appellant to make a payment of Rs.35,75,961/- in the absence of any material to show that the said demand made by the 1st respondent is illegal, the amount of Rs.35,75,961/- demanded by the 1st respondent is liable to be paid by the appellant. But inspite of the demand made by the 1st respondent, the appellant failed to make the payment. Further, as per Section 19(6) of the RERA Act, the appellant/allottee, who entered into an Agreement for Sale, is responsible to make necessary payments in the manner and within the time specified in the Agreement for Sale and shall pay at the proper time and place. In such circumstances, the claim of the appellant that the appellant had paid the amount on time as per the Agreement and the finding of the learned Adjudicating Officer that the appellant is a defaulter in making payment is not correct cannot be accepted.

17. Further, Ex.A20 is the e-mail communications said to be sent by the 1st respondent in compliance with the terms of the Agreement and Section 19(2) of the RERA Act. The said e-mail communications sent to the appellant by the 1st respondent on 08.04.2023 17.06.2023, 08.07.2023, 28.08.2023, 23.09.2023, 28.12.2023, 25.01.2024, 28.02.2024, 15.03.2024, 08.04.2024, 08.05.2024 and 28.06.2024 would show that the respondent informed the stage-wise progress to the appellant. Whileso, the contention of the learned counsel appearing for the appellant that the stage-wise progress report has not been reported by the 1st respondent is not acceptable. The

complainant had kept silent without making the payments as per the schedule of the Agreements even after the demands made by the 1st respondent through e-mail on 17.04.2023 and various e-mails marked as Ex.A20. The appellant not making the payment, is violation of the provision of Section 19(6) of the Act.

18. Further, as per the Clause 4(b) of the Construction Agreement dated 29.03.2023, the obligation to hand over possession arose only upon full and final payment of all dues by the allottee. The relevant Clause is extracted as follows:

> "...
> The Promoter shall hand over possession of the Villa to the Allottee(s) as committed subject to receipt of the entire consideration including all other payments as agreed vide this Agreement and Agreement of sale etc., It is made abundantly clear that the obligation of the Promoter to handover the Villa to the Allottee(s) does not arise until the Promoter receives the entire payment/s as said above.
> ..."

19. Hence, the appellant is claiming compensation under Section 18(1) of the RERA Act, which would arise only if the promoter fails to complete or deliver the possession by the date specified in the Agreement for Sale. In this case, the possession was not handed over because the appellant failed to make the entire payment. In such circumstances, claiming compensation under Section 18(1) of the RERA Act by the appellant cannot be granted.

20. Further, when the allottee is relying upon Section 18(1), he is bound to comply with Section 19(6) of the Act strictly. But in this complaint, the complainant had failed to make the payments inspite of demands and reminders by the 1st

respondent. In such circumstances, the appellant is not entitled to claim either compensation or rental expenses or compensation for the alleged mental agony and hardship. The rental agreements dated 01.12.2020 and 24.03.2021 and the rental receipts produced by the appellant are of the years 2020 and 2021, which are much earlier to the date of Construction Agreement. Moreover, when the appellant is found to have defaulted in making the payment as per Section 19(6) of the Act, he is not entitled to claim any compensation, either for rental expenses or mental agony or hardship. Hence, the Adjudicating Officer, after analyzing all the circumstances, rightly dismissed the complaint. We do not find any ground to interfere with the findings of the learned Adjudicating Officer, TNRERA.

21. In view of the above discussions, the appeal is liable to be dismissed. Accordingly, the same is dismissed.

Sd/- xxxx
JUSTICE M.DURAISWAMY
CHAIRPERSON
19.08.2026

Sd/- xxxx
K.BABU
JUDICIAL MEMBER
19.08.2026

Copy to

1. The Adjudicating Officer, TNRERA

2. M/s.Casa Grande Smart Values Homes
   Private Limited
   rep. by Authorized Signatory : R.Aravind
   Having office at :
   New No.111, Old No.59,
   NPL Devi, LB Road,
   Thiruvanmiyur,
   Chennai - 600 041.

3. State Bank of India
   rep. by The Assistant General Manager
   State Bank of India, RACPC-Sattur
   Home Loan Centre (Sattur) - 641 101
   Having office at :
   No.27, Beschi Complex, 1st Floor, Sattur,
   Virudhunagar District, Pincode - 626 203.