

Appeal Nos.74 and 79 of 2026

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 Nos.74 and 79 of 2026
and
M.A.Nos.200 and 205 of 2026

M/s. VGN Projects Estates Private Limited,
rep. by its Managing Director
Pratish Vedhappudi

... Appellant in both the appeals

Vs.

1. Joseph John Kennedy
2. Sumathi Joseph Kennedy

... Respondents in A.No.74 of 2026

1. Saravana Kumar
2. Mohana.C

... Respondents in A.No.79 of 2026

Appeals have been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 to allow the present appeals and set aside the impugned common order dated 15.04.2026 in C.C.P.Nos.13 & 14 of 2024 passed by the learned Adjudicating Officer, TNRERA, Chennai.

For Appellant : Mr.B.Maghizhnan
(in both the appeals)

Appeal Nos.74 and 79 of 2026

COMMON ORDER

Challenging the common order passed in C.C.P.Nos.13 & 14 of 2024 dated 15.04.2026 on the file of the learned Adjudicating Officer, TNRERA, the promoter has filed the above appeals.

2. Since the issues involved in the above appeals are common and the appellant in both the appeals are same and the real estate project is also one and the same, by consent of the learned counsel appearing for the appellant, both the appeals are disposed of by this common order. For the sake of convenience, since the complainants in C.C.P.Nos.13 and 14 of 2024 are the respondents and the respondent in C.C.P.Nos.13 and 14 of 2024 is the appellant, the appellant in both the appeals is referred as appellant/promoter and the respondents in both the appeals are referred as respondents/allottees.

3. The brief facts that are relevant for the disposal of the above appeals are as follows:

The respondents/allottees in C.C.P.No.13 of 2024 had purchased residential Unit No.B4-1E in the project “VGN FAIRMONT” developed by the appellant/promoter. Similarly, the respondents/allottees in C.C.P.No.14 of 2024 had purchased residential Unit No.D-Block-5S in Phase-I in the same project. Since the appellant/promoter failed to complete the construction on time, both the respondents/allottees filed the complaints in C.Nos.141 and 140 of 2020 before the TNRERA. The TNRERA passed a

common order on 19.07.2021 directing the appellant/promoter to complete the construction with amenities on or before 31.08.2021. Further, the respondents/allottees were given liberty to move the Adjudicating Officer, TNRERA for interest on delayed construction and compensation. In spite of the direction, till date the appellant/promoter is extending the time for completion of the project. The respondents/allottees in C.C.P.No.13 of 2024 had paid an amount of Rs.1,08,73,891/- as per the Construction Agreement and also remitted an amount of Rs.31,87,500/- for the UDS in accordance with the Sale Agreement. Similarly, the respondents/allottees in C.C.P.No.14 of 2024 had paid an amount of Rs.42,10,600/- as per the Construction Agreement and remitted an amount of Rs.11,81,500/- for the UDS in accordance with the Sale Agreement. In spite of making payments, the appellant/promoter did not hand over the possession, hence, the complaints have been filed in C.No.141 of 2020 and C.No.140 of 2020 respectively. The TNRERA, after considering the fact that the construction was not completed, directed the appellant/promoter to complete the construction along with amenities by 31.08.2021. In spite of the same, the appellant/promoter did not complete the construction on time, hence, the present complaints have been filed by both the respondents/allottees.

4. The averments in the counter affidavit filed in both complaints are as follows:

The appellant/promoter filed their counter stating that the possession of the Flats was handed over as early as on 27.03.2023. The said fact was suppressed by the

respondents. The suppression of fact should be considered as a ground for preliminary objection to dismiss the complaints. Section 72 of the Real Estate (Regulation and Development) Act, 2016, lays down the factors to be considered for deciding quantum of compensation. For want of supporting evidence in respect of factors specified under Section 72 of the Real Estate (Regulation and Development) Act, the complaints filed by the respondents/allottees are liable to be dismissed.

5. The appellant/promoter had to face proceedings under the Prevention of Money Laundering Act (PMLA) from 2016 which delayed the progress of the project. Further, the nationwide lockdown due to Covid 19 aggravated the financial hardships to the appellant/promoter. There was no other reason for the delay in handing over the Flats. In such circumstances, the delay occurred towards construction and handing over the possession of the Flat is *bonafide* and both the complaints are liable to be dismissed.

6. In the rejoinder filed in both the complaints the respondents/allottees have stated that the TNRERA, by order dated 19.07.2021, directed the appellant/promoter to complete the construction as per the Construction Agreement before 31.08.2021, but the appellant/promoter handed over the possession only on 27.03.2023, almost after two years from the date of direction of the TNRERA. Though the respondents/allottees have taken possession of the Apartments in 2023, the project is still under construction. The Partial Completion Certification was issued by the CMDA only on 15.03.2023. It is not correct that the respondents/allottees suppressed the

material facts by stating that the project is incomplete, the project is still under construction. Section 72 of the Act lays down the factors to be taken into account by the Adjudicating Officer while adjudicating the quantum of compensation or interest. The appellant/promoter have cited the consequences of PMLA proceedings and subsequent Covid pandemic for the delay, but there is no explanation for the continuing delay in completing the amenities. The property was attached in PMLA proceedings only for a year (i.e.) between 13.02.2018 and 14.02.2019. Hence, the respondents/allottees prayed that the reliefs sought for in both the complaints are to be granted.

7. In the additional counter it has been stated that the averment towards quantum of compensation is baseless. The 'Possession Letter' is deliberately suppressed along with the 'No Claim letter'. The alternative relief cannot be granted. The compensation can be granted only when the respondents/allottees opted to withdraw from the project and cannot be granted to those allottees who have voluntarily chosen to remain in the project. The claim of compensation for mental agony does not fall within the ambit and parameters provided under Section 72 of the Act. Hence, the appellant/promoter prayed for dismissal of both the complaints.

8. Before the Adjudicating Officer in C.C.P.No.13 of 2024, the 1st respondent/allottee was examined as C.W.1 and 9 documents, Exs.A1 to A9 were marked and on the side of the promoter, R.W.1 was examined and 19 documents, Exs.B1 to B19 were marked. In C.C.P.No.14 of 2024, the 1st respondent/allottee was

examined as C.W.1 and 10 documents, Exs.A1 to A10 were marked and on the side of the promoter, R.W.1 was examined and 20 documents, Exs.B1 to B20 were marked.

9. Heard Mr.B.Maghizhnan, learned counsel appearing for the appellant.

10. The admitted facts are that the respondents/allottees in both the appeals purchased the residential Units in the project developed by the appellant/promoter. The payment made by the respondents/allottees are also admitted. The respondents/allottees had filed C.Nos.140 and 141 of 2020 praying for various reliefs before the TNRERA. The TNRERA, by order dated 19.07.2021, directed the appellant/promoter to complete the construction by 31.08.2021.

11. The learned counsel appearing for the appellant/promoter submitted that the construction has been completed and possession was handed over to the respondents/allottees on 27.03.2023. The Possession Letter along with the 'No Claim Letter' is deliberately suppressed. Suppressing the said fact of the 'Possession Letter' along with 'No Claim Letter', the claim of compensation by the respondents/allottees is not sustainable. Since the delay for completing the construction is only due to the reason that CBI had initiated PMLA proceedings and also due to Covid 19 pandemic, the appellant/promoter was in financial crunch and hence, there was delay and the delay is *bonafide*. Hence, the respondents/allottees cannot claim any compensation. But, the learned Adjudicating Officer without considering those facts allowed the complaints and directed the appellant to pay Rs.3,00,000/- in each of the complaint

to the respondents/allottees as compensation and Rs.50,000/- in each of the complaint towards costs, which is arbitrary. Hence, prayed for allowing the appeals.

12. The Construction Agreement in both the complaints are marked as Ex.A2. As per the Construction Agreement, the construction have to be completed on or before 15.09.2019 and 29.02.2019 respectively. But, the subject Units were handed over by the appellant/promoter only on 27.03.2023 in both cases. The appellant/promoter contended that due to PMLA proceedings and Covid 19 pandemic, there was delay. But the TNRERA by a common order dated 19.07.2021 in C.Nos.140 & 141 of 2020 directed the appellant/promoter to complete and hand over the possession of the Units on or before 31.08.2021, but the appellant/promoter had failed to hand over the subject Units within the time as directed. Moreover, even after the closure of PMLA proceedings and inspite of the direction given by the TNRERA, the appellant/promoter did not either complete or hand over the Units to the respondents/allottees.

13. When the appellant/promoter assured amenities and hand over the possession as per the Construction Agreement, the duty is cast upon the appellant/promoter to fulfill the promise, failing which, as per Section 18(1) of the Act, the respondents/allottees are entitled to claim compensation. The appellant/promoter in this case failed to hand over the possession within the time directed by the TNRERA. Inspite of the fact that the respondents/allottees had paid the entire amount for the purchase of subject Unit, inordinate delay in receiving the

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possession would certainly cause mental agony and hardship to the respondents/allottees, which are all to be compensated by the appellant/promoter as rightly found by the Adjudicating Officer. The Adjudicating Officer, after considering all circumstances, rightly awarded compensation. We do not find any ground to interfere with the common order passed by the Adjudicating Officer, TNRERA.

14. In view of the above discussions, both the appeals are liable to be dismissed. Accordingly, the appeals in Appeal No.74 of 2026 and Appeal No.79 of 2026 are dismissed. Consequently, the connected Miscellaneous Applications are closed.

15. Since we have dismissed the appeals, the respondents/allottees are entitled to get the sum of Rs.3,50,000/- together with the accrued interest, if any, in each of the appeals which amount was deposited by the appellant/promoter under Section 43(5) in each of appeals.

Sd/- xxxx
JUSTICE M.DURAI SWAMY
CHAIRPERSON
19.08.2026

Sd/- xxxx
K.BABU
JUDICIAL MEMBER
19.08.2026

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Copy to

1. The Adjudicating Officer, TNRERA
2. Joseph John Kennedy
3. Sumathi Joseph Kennedy
Sl.Nos. 2 & 3 are residing at
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4. Saravana Kumar
5. Mohana.C
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