

**BEFORE THE
TAMIL NADU REAL ESTATE REGULATORY AUTHORITY,
CHENNAI**

**Quorum : Hon'ble Mr. G. Saravanan, M.A.,B.L., Adjudicating Officer,
CCP No. 36 of 2021**

1. J. Margaret
2. Barnabas Osborn Sundar

.... Complainants

Vs

M/s.VGN Projects Estates Private Ltd.
Rep. by its Authorised Signatory

.... Respondent

Complainants : Rep.by Mr.R.C.Paul Kanagaraj, Advocate.
Respondent : Rep.by Mr.K.Harishankar, Advocate

Heard on : 26.04.2022
Delivered on : 10.05.2022

ORDER

The complaint by the above complainants claiming compensation for the amounts paid to the respondent for the purchase of the flat with accrued interest is filed under Section 31 read with Section 71 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as RERA Act).

2. **Averments of the complainants, in brief, as follows:**

(a) The complainants booked a flat with the respondent in their project namely, "VGN Temple Town", in Thiruverkadu Village, Tiruvallur District on 16.07.2014 for a sale consideration of Rs.62,02,716/-. On 11.08.2014, the complainants and the respondent entered into an agreement of sale for UDS land and also an agreement for development and construction of the flat. The respondent undertook to complete the construction of the flat by the

TRUE COPY

/s/
10/05/2022

end of March 2016, with an additional grace period of 6 months. The respondent has not at all started the construction of the apartment.

(b) On 06.06.2020, the respondent executed registered sale deed for the UDS land. However, on a visit to the site of the project, the complainants found that the construction was not at all started by the respondent and preferred a police complaint for taking action against the respondent. The respondent came forward to cancel the purchase of the flat. Thereafter, on 21.09.2020, the respondent executed a deed of Memorandum of Understanding and also cancellation of agreements. The respondent forced the complainants to sign the documents as a precondition for settlement of the amount paid by the complainants. The respondent has not paid the interest and compensation. Hence the complainants preferred the present complaint.

3. Counter averments of the respondent, in brief, as follows:

(a) The respondent denies all the allegations contained in the complaint, except specifically admitted herein. The complainants approached the respondent for purchase of a flat in their project after verifying the details and documents of the project and also entered into agreements for sale and for construction and development on 11.08.2014 with the respondent. Due to legal impediments and other critical issues, the progress of construction was hindered and the same was communicated to the complainants. The complainants also did not make any objection and acceded to wait for the unit to be fully completed. The sale deed for the UDS land was also executed on 06.06.2019. Subsequently the complainants were offered to change over to the ready to move in flat in another block. However, suddenly without making any demands for cancellation and refund, the complainants gave a

false police complaint. The respondent offered to get on with the cancellation formalities and was ready to refund the money paid by the complainants as per the cancellation request. The complainants and the respondent entered into a deed of Memorandum of Understanding on 21.09.2020. Accordingly all the amounts were paid to the complainants and the complainants also handed over all the original documents and the letter for full satisfaction. The disputes were resolved mutually. It is false to state that they were forced to cancel the sale deed and agreements without paying any sum towards interest and compensation. Therefore, the complaint is liable to be dismissed.

4. An attempt to settle the matter amicably has failed.
5. Both the parties have filed their respective evidence on affidavit with documents.
6. On the basis of the rival contentions of the parties, the following points arise for determination:-
 - i. Whether the complainants are entitled to accrued interest for the amount paid towards purchase of a flat to the respondent and also compensation from the respondent?
 - ii. What are the reliefs, the complainants are entitled to?

7. **Answer for Point No. (i)**

(a) The learned counsel for the complainants submitted that the complainants booked a flat in the project of the respondent for a total sale consideration of Rs.62,02,716/- and entered into agreements of sale and also for development and construction with the respondent on 11.08.2014 and

paid amounts and were ready to pay the balance amount in the year 2014, but, the respondent only executed sale deed for the UDS land on 06.06.2020 and not arranged to visit the site of the property even at the request of the complainants and the complainants visited the site and found that the construction works are not at all started by the respondent and therefore, preferred a police complaint on 28.02.2020 and the respondent came forward to cancel the purchase of the flat and the respondent being an influential builder threatened and forced the complainants to receive only principal amount without interest and compensation and obtained signatures on various papers and prepared letters of their choice and the acts of the respondent amounts to unfair trade practice causing monetary loss to the complainants and therefore the complainants are entitled for compensation and other reliefs.

(b) The learned counsel for the respondent contended that the complainants verified all the details of the project and on being satisfied with the project and entered into agreements for purchase of residential unit in the project of the respondent on 11.08.2014 and due to unexpected legal impediments and other issues, the construction was delayed and the same was communicated to the complainants and the respondent also executed sale deed for the UDS land in favor of the complainants on 06.06.2019 and the complainants were offered to changeover to the ready to move in flat in another block of the same project, but the complainants insisted only the flat booked by them and also accepted to wait for the same and subsequently they gave a false complaint to the police and the complaint was closed since there was no truth in it and only for the purpose of avoiding the deduction of

cancellation charges, they lodged the complaint and on their request for cancellation and after several rounds of talks, the respondent settled the amount to the complainants and also entered into a deed of Memorandum of Understanding with the complainants and the full satisfaction memo was issued by the complainants and there is no merits on the complaint and the complaint is liable to be dismissed.

(c) It is not in dispute that on 28.02.2020, the complainants preferred a police complaint as there was no progress of construction in the project site and thereafter the respondent came forward to cancel the purchase of the flat. There were negotiations on the terms of the cancellation of the allotment between the complainants and the respondent. Subsequently on 21.09.2020, the complainants and the respondent entered into a deed of Memorandum of Understanding and on the same day, they also executed simultaneously the deeds of cancellation of the sale agreement and development and construction agreement and also the deed of cancellation of the sale deed.

(d) Admittedly, the terms mutually agreed for on cancellation of the allotment of flat contained in the deed of Memorandum of Understanding between the complainants and the respondent. The Ex.A7, the deed of Memorandum of Understanding, also marked as Ex.B5 on the side of the respondent, contains as follows:

“After detailed personal meetings and communications between the company and the purchaser both the parties agreed to cancel the above said sale process on the basis of terms and

conditions mentioned hereunder. For this purpose the Memorandum of Understanding is executed by both parties."

However, the complainants alleged that the respondent threatened the complainants to accept the amounts without interest and compensation. The respondent pointed out that the documents were executed after due verifications by the complainants and their counsel and the complaint by the complainants before the police was closed after the matter was settled. The complainants have not disputed the fact that the complaint was closed by the police. If there was any threatening by the respondent, it was open for the complainants to press the complaint before the police for necessary action against the respondent.

(e) All the above circumstances clearly go to show that the complainants were settled the amounts as per the deed of Memorandum of Understanding entered with the respondent and the complainants preferred the complaint as an afterthought after settlement of the amounts to them by the respondent. Therefore, it is held that the complainants are not entitled for any accrued interest and compensation. Thus the point is answered accordingly.

8. Answer for Point no.(ii)

In view of the answer for point No.(i), the complainants are not entitled for any relief. The complaint is liable to be dismissed, but without cost. The point is answered accordingly.

In the result, the complaint is dismissed with no costs.

**Sd/- 10.05.2022
G. SARAVANAN
ADJUDICATING OFFICER**

TRUE COPY
leg
10/05/2022

List of witnesses

CW-1--- J.Margaret

RW-1--- A.Rangappan

LIST OF DOCUMENTS FILED BY THE COMPLAINANTS

Ex.Nos	Date	Documents Name
Ex.A1	11.08.2014	Agreement for sale
Ex.A2	11.08.2014	Agreement for development and construction
Ex.A3 (series)	...	Payment receipts
Ex.A4	06.06.2019	Sale deed
Ex.A5	28.02.2020	Police complaint
Ex.A6 (series)	...	Letter correspondence
Ex.A7	21.09.2020	Memorandum of Understanding
Ex.A8 (series)	21.09.2020	Cancellation of construction agreement and sale deed

LIST OF DOCUMENTS FILED BY THE RESPONDENT

Ex.Nos	Date	Documents Name
Ex.B1	11.08.2014	Agreement for development and construction
Ex.B2	11.08.2014	Agreement for sale
Ex.B3	06.06.2019	Sale deed
Ex.B4(series)	...	E-mail communications
Ex.B5	21.09.2020	Memorandum of Understanding
Ex.B6(Series)	21.09.2020	Cancelation of deeds

Sd/- 10.05.2022

G. SARAVANAN

ADJUDICATING OFFICER

TNRERA, CHENNAI

CERTIFIED TO BE TRUE COPY


10.5.2022
LAW OFFICER
TN REAL ESTATE REGULATORY AUTHORITY