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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-12-2025

CORAM

**THE HON'BLE MR JUSTICE R. SURESH KUMAR
AND
THE HON'BLE MR.JUSTICE SHAMIM AHMED**

**CMSA Nos. 94 and 96 of 2025
&
CMP Nos. 30902 & 30898 of 2025**

M/s. VGN Projects Estates Private Limited,
(Formerly known as VGN Property Developers Pvt. Ltd.)
Rep by its Director, Pratish Vedhapuddi,
Having Registered Address at Y-222,
VGN Kimberly Towers, 2nd Avenue,
Anna Nagar, Tamilnadu,
Chennai 600 040

.. Appellant in both appeals

Vs

C. Muthukumar

.. Respondent in both appeals

Prayer in both Appeals: Civil Miscellaneous Second Appeals filed under section 100 of CPC praying to set aside the impugned order dated 05.11.2025 passed in Appeal Nos.138 & 139/2025 by the Tamil Nadu Real Estate Appellate Tribunal, Chennai, and thereby allowing the Appellant to file Additional Counter and Documents in the Compensation case bearing CCP Nos.69 & 70 /2023 pending on the file of the Tamil Nadu Real Estate Regulatory Authority.

For Appellant(s):

Tatva Legal Chennai



Common Judgment

(Judgment of the Court was delivered by R.Suresh Kumar J.)

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Since both these Civil Miscellaneous Second Appeals arise out of the Common Order passed by the Tamil Nadu Real Estate Appellate Tribunal (in short 'TNREAT'), dated 05.11.2025, both these appeals are heard together and disposed of by this common judgment.

2. The appellant is a builder by name M/s.VGN Projects Estate Private Limited. It had entered into an agreement with the respondent/complainant with regard to the construction of a flat to the extent of 647 sq.ft. With 142 sq.ft. UDS in second floor Block number D at VGN Fair Mont (in short 'the subject flat'). As per the said agreement, within a period of 42 months, i.e., 36 months original, with the grace period of 6 months, the construction work would be over and it would be handed over. Such an agreement was entered into between the parties on 10.03.2016.

3. Thereafter, a booking fee of Rs.2,50,000/- was paid by the respondent and an agreement for sale and an agreement for construction, dated 10.03.2016 and 30.03.2016 have been entered upon between the parties.

4. Despite the agreement having been entered upon between the parties, the construction work not even was started.



5. As the whole, three years period with grace period of six months was over by 10.09.2019, before which, nothing has been moved on behalf of the appellant builder, the respondent/complainant had approached the authorities of Tamil Nadu Real Estate Regulatory Authority (in short 'TNRERA') and filed C.C.P.Nos.69 and 70 of 2023 on the file of the learned Adjudicating Officer of the Tamil Nadu Real Estate Regulatory Authority (in short 'TNRERA')

6. Before the TNRERA, contesting the said C.C.P.Nos.69 and 70 of 2023, counter affidavits have been filed in detail by the appellant builder in September 2024, wherein, among the other things, in paragraph 14, the facts that the Enforcement Directorate had attached the property in question in the month of February 2018 and after a long legal battle, the PMLA Tribunal lifted the Enforcement Directorate attachment only on 14.02.2019 and thereafter the CBI had filed a closure report only on 29.04.2019 have been mentioned.

7. When that being so, the appellant builder during the pendency of the said C.C.P.Nos.69 and 70 of 2023 had filed applications in I.A.Nos.15 and 16 of 2025 seeking permission to file additional counter affidavit some time in March 2025.

8. These two Interlocutory Applications having been heard, were rejected by the TNRERA and those orders were appealed before the Tamil Nadu Real



Estate Appellate Tribunal (in short 'TNREAT') in A.Nos.138 and 139 of 2025.

Those applications were heard and decided against the appellant through a common impugned order passed by the TNREAT, dated 05.11.2025.

9. Assailing the said order, Mr.R.Venkatraman, learned counsel appearing for the appellant would contend that, it is a fact that there has been a PMLA proceedings which started in the year 2016 and the same was over only by 2023 and the entire contract period of 3 years commencing from 2016 to 2019, since was over within this period, under several PMLA proceedings, the appellant builder has been struggling for and even the property in question, where the subject flat was to be constructed, in fact, was attached by the Enforcement Directorate Authorities and that attachment was lifted only in the year 2019 and therefore, there was no scope for completing the project as assured or agreed upon between the parties in the agreement dated 10.03.2016.

10. In this context, a detailed dates and events since had to be provided in order to defend the case, i.e., the complaint that was pending before the TNRERA, an additional counter affidavit need to have been filed, therefore for filing such an additional counter affidavit permission of TNRERA was sought for some time in March 2025, the same has been rejected by the TNRERA and that order when was questioned before the TNREAT, the tribunal also has



rejected the said appeals filed by the appellant promoter through the impugned order without considering these factual matrix, where, between 2016 and 2023, the activities, mainly the construction activities in the site concerned of the appellant has been completely crippled because of the PMLA activities.

11. By making the said submission, the learned counsel appearing for the appellant has relied upon the judgments of the Hon'ble Supreme Court in *Civil Appeal No.4148 to 4149 of 2009, dated 07.07.2009* in the matter of *Olympic Industries Vs. Mulla Hussainy Bhai Mulla Akberally and others* as well as the decision made in *Civil Appeal No.3427 of 2020, dated 13.10.2020* in the matter of *Sugandhi (dead) Vs. P. Rajkumar, represented by Power Agent Imamoli*. By citing these two decisions, the learned counsel would contend that while such a plea of filing additional documents or additional pleadings to be filed is made before the Court of Law, Court normally would take a lenient view. In order to emphasise that proposition only he has cited those two decisions.

12. We have considered the said submission made by the learned counsel for the appellant and also perused the materials placed before this Court.

13. Certain dates are very important to be noted herein. As per the Agreement dated 10.03.2016, only three years period, i.e., 36 months were



provided to complete the project and hand over the flat to the respondent i.e, the complainant. A grace period of six months also had been given totalling 42 months. The 42 months period was over as early as on 10.09.2019. Within this 42 months period, nothing has been moved towards the construction of the apartments which includes the flat of the respondent.

14. Even though in this context, the reason has been stated by them that the very land itself has been attached by the Enforcement Directorate Authorities and it was under the attachment till 2019, that is the matter between the authorities concerned and the appellant and in this regard, noway that would bind the respondent, as there is an agreement between the appellant and the respondent and the conditions of agreement alone will speak and both the parties abide by such condition i.e., basic covenants of the contract.

15. Be that as it may. Now the question is whether any additional or new factors, which would be helpful to the appellant to effectively defend the case before the TNREREA, has come out, by filing the additional counter affidavit, as has been sought for by the appellant.

16. In this context, it is to be noted that as We indicated earlier, in the counter affidavit dated September 2024 itself in paragraph 14, the very attachment of the property by Enforcement Directorate authorities and lifting



of the attachment in the year 2019 and closing of the case by CBI in the year 2023 all has been stated. Therefore no new facts had been brought in by filing any additional counter affidavit excepting expanding the dates and events which culminated in the closing of the PMLA proceedings as well as the basic criminal case by CBI in the year 2023.

17. Moreover the entire PMLA proceedings was over by 23.01.2023, whereas, the first main counter affidavit itself was filed admittedly in September 2024, i.e, almost after one year 8 months. When that being so, the appellant had every knowledge and the appellant had been in possession of every documents or materials available with them to state that there has been a PMLA proceedings under which, they have been travelling with the authorities to defend it in the years from 2016 to 2019 or 2023 and those factors are not the new one that has come after filing of the first counter in September 2024.

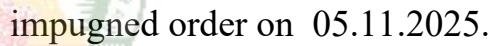
18. Therefore, in March 2025, when they wanted to file the additional counter, it was purely an attempt only to prolong the proceedings which is pending before the TNRERA and not for any useful purpose.

19. Assuming that even if the additional counter is accepted and the facts that has been narrated in the additional counter which mainly centring upon the PMLA proceedings started in the year 2016 and ended in the year 2023



January, is taken note of that would noway helpful to the appellant builder to wriggle out from the clutches of law in paying compensation and return back the money to the respondent /complainant or allottee with reasonable interest, as admittedly, the project has not been even started of during the 3 years period or as well as the six months extended grace period i.e., totalling 42 months, which was over as early as on 10.09.2019.

20. Therefore, looking from any angle, the appellant does not have any justification in seeking for filing additional counter affidavit, that too in March 2025 and there was no justification on their part to file such an additional counter affidavit in March 2025, instead of filing it in September 2025 itself. Moreover, even in the first counter filed in the month of September 2024, the factors with regard to PMLA proceedings have already been disclosed, therefore, nothing regarding new factor is going to be delivered by the appellant even by filing the additional counter affidavit. Even in the dates and events which are mainly focussed in March 2025 second counter, which has been rejected by the authorities concerned as well as the Tribunal, nothing has come out from the appellant to justify their action in delaying the project endlessly even beyond the agreement period of 10.09.2019. Therefore, there is absolutely no reason to entertain the Interlocutory Applications filed by the appellants before the TNRERA. Therefore, it was rightly rejected and the said rejection order having been considered was upheld by the Tribunal which passed the



22. Even though it was claimed by the learned counsel appearing for the appellant that 40% of the work has been completed by 10.09.2019 even that factor cannot be verified as of now as there is no such mechanism is available before us.

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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To
1. The Tamil Nadu Real Estate
Appellate Tribunal, Chennai
2. The Tamil Nadu Real Estate
Regulatory Authority, Chennai



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SHAMIM AHMED J.**

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