

SUPREME COURT OF INDIA

HUDA

Vs.

Suresh Kumar Makkar

C.A.No.2383 of 2003

(R.V.Raveendran and Aftab Alam JJ.)

23.10.2008

ORDER

1. The appellant allotted Plot No.1363, Sector 14P, Hissar to the respondent on 21.8.1986. The respondent paid the 25% amount on 11.6.1986 and 18.9.1986.

2. The respondent approached District Consumer Disputes Redressal Forum, Hissar in the year 1995 alleging that plot was not delivered within 90 days of payment of 25% of the price and that there was inordinate delay in delivery of possession; and that he had paid the balance price also in various instalments between 21.8.1987 to 16.2.1995. He therefore prayed for a direction to appellant to pay interest at 24% per annum from the respective dates of deposit of the price. By order dated 10.3.1998 the District Forum directed payment of interest at the rate of 18% per annum from the date of deposit of 25% amount till the date of offer of possession of plot. On appeal by the appellant, the State Commission by order dated 30.9.1998 reduced the rate of interest from 18% to 15% per annum and postponed the commencement of interest by two years from the date of deposit. On revision by the appellant, the National Commission passed a common non-speaking order dated 27.8.1998 disposing of the revision in terms of its earlier decision in Revision Petition No.1197/1998 dated 31.8.2001 [HUDA vs. Darsh Kumar] wherein it had upheld interest even upto 18% per annum. The said order is under challenge in this appeal. The appellant contends that it offered possession of the plot by letter dated 11.6.1999, that it did not claim the prevailing price of 1999, and that the respondent has taken delivery of possession of the allotted plot on 7.10.2003. It therefore contends that respondent is not entitled to interest on the payments made.

3. The decision in *HUDA vs. Darsh Kumar*¹, relied on by the National Commission was found to be not sound, by this Court on appeal. In *Darsh Kumar (supra)*, this Court held that interest at 18% per annum is not to be granted in all cases, irrespective of the facts of the case and that principles laid down in *Ghaziabad Development Authority vs. Balbir Singh*² should be followed. In *Bangalore Development Authority vs. Syndicate Bank*³, this Court has further elaborated on the principles applicable in the event of delay/default. This Court has consistently held that where possession is given at the old rate, the allottee gets the benefit of

escalation in price and therefore, not entitled to interest on the amounts paid, on the ground of delay in allotment. By applying the said principles, the decision awarding interest cannot be upheld.

4. The appeal is therefore allowed and the orders of the consumer fora, awarding interest is set aside. The complaint stands dismissed.

¹2005 (9) SCC 449

²2004 (5) SCC 65

³2007 (6) SCC 711