

SUPREME COURT OF INDIA

Bench: Justices B.R. Gavai and Sandeep Mehta

Date of Decision: 10th April, 2024

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 1454 OF 2023

SANJAY CHAUDHARY AND ANR. ...APPELLANT(S)

VERSUS

PIONEER URBAN LAND & INFRASTRUCTURE LTD. AND ANR.

...RESPONDENT(S)

Legislation:

Consumer Protection Act, 1986

Subject: Appeal against the National Consumer Disputes Redressal Commission's order in a case concerning delayed possession of a flat and the interest charged on the balance amount.

Headnotes:

Consumer Protection – Delayed Possession of Property – Appeal against National Consumer Disputes Redressal Commission's Order – Supreme Court sets aside part of Commission's order allowing respondent-developer to charge interest at 9% p.a. on balance amount from appellants. Appeal arises from delayed possession of a flat by the respondent-developer. Commission partly allowed appellants' claim, but imposed interest on balance amount from 14th November, 2017. Supreme Court holds that charging interest from appellants is unjustified as possession was not delivered by the scheduled date. Orders respondent to convey outstanding amount within two months and handover possession within 30 days of final payment. [Paras 1-8]

Directions Issued – Execution of Conveyance Deed and Possession – Supreme Court directs respondent-developer to issue a statement of account, including compensation, and to execute conveyance deed and handover possession of the unit upon settlement of the account, without further delay. The imposition of 9% interest on balance amount by Commission set aside. [Paras 6-7]

Justice and Fairness in Consumer Disputes – Court emphasizes the protection of consumer rights and equitable treatment in cases of delayed possession, ensuring fairness and justice to homebuyers. [Para 6]

Order – Appeal disposed of in terms above; pending application, if any, disposed of. [Para 8-9]

Referred Cases: None.

Not specified in the order.

ORDER

Mehta, J.

1. This appeal is directed against the final order dated 23rd January, 2023 passed by the National Consumer Disputes Redressal Commission (hereinafter being referred to as 'Commission') whereby, the learned Commission, while allowing the Consumer Case No. 612 of 2018 filed by the appellants, issued the following directions: -

“In view of the aforesaid discussions, the complaint is partly allowed. The opposite parties are directed to issue a fresh statement of account, duly crediting delayed compensation of Rs. 2433120/- as on 13.11.2017, within one month of the judgment. On the balance amount (except stamp duty and registration charges), the opposite parties will charge interest @9% per annum, from 14.11.2017 till the date of payment. The complainants be given one month time to deposit the amount. On settlement of the account, the opposite parties will execute conveyance deed in favour of the complainants and handover possession of the unit, complete in all respect to them without any further delay.”

2. The appellants herein are aggrieved by the direction passed by the learned Commission giving liberty to the respondent-developer to charge interest @9% per annum on the balance amount (except stamp duty and registration charges) from 14th November, 2017 till the date of payment from the appellants-homebuyers.
3. We have heard and considered the arguments advanced by learned counsel for the parties and have gone through the impugned order and the material placed on record.
4. It is admitted that the appellants being the homebuyers, had made payment of 90% of the total sale consideration of the flat in question to the respondent-developer till 23rd June, 2014. The said amount runs to nearly Rs.2,21,56,942.42/- (total consideration for 4111 sq. ft super area and amenities being Rs.2,38,20,932/-). 5. Admittedly, the respondent-developer failed to handover the possession of the flat to the appellants-homebuyers by the scheduled date i.e. 16th March, 2014 upon which the consumer dispute came to be registered.
6. In this background, we are of the view that the learned Commission erred in directing that the opposite party i.e. respondent-developer shall be entitled to charge interest @9% per annum from the appellants-homebuyers on the balance amount (except stamp duty and registration charges) from 14th November, 2017 till the date of payment. Thus, the said part of the impugned order whereby, the respondent-developer has been permitted to charge interest at the rate of 9% per annum on the balance amount is quashed and set aside.
7. We direct the respondents to convey the outstanding amount to the appellants within a period of two months from today and upon payment being

made, the possession of the flat in question shall be handed over to the appellants forthwith and not later than a period of 30 days from the date of final payment being made.

8. The appeal is disposed of in the above terms.
9. Pending application, if any, shall stand(s) disposed of.

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