

**Pradeep Bindal Vs. Delhi Development Authority**

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**Court :** Delhi State Consumer Disputes Redressal Commission SCDRC New Delhi

**Decided On :** Jul-25-2006

**Judge :** J.D. Kapoor, President & the Honourable Ms. Justice Rumnita Mittal, Member

**Appeal No. :** Appeal No. A-539 of 2003 & Appeal No. FA-795 of 2004

**Appellant :** Pradeep Bindal

**Respondent :** Delhi Development Authority

**Judgement :**

J.D. Kapoor, President:

1. These are cross-appeals preferred against impugned order dated 5.3.2003 passed by the District Forum. Appellant DDA is aggrieved of the interest awarded @ 18% on the retention money whereas the appellant Pradeep Bindal is aggrieved of the rate of interest awarded @ 7% on the amount deposited by him for delayed delivery of possession of the flat.

2. There is no dispute that the possession of the flat was given after six years of the stipulated period of two years. The appellant DDA awarded 7% interest after 2 years for the first six months and, thereafter, @ 10% interest beyond the period of 36 months as per terms and conditions of the allotment.

3. As against this the District Forum has awarded interest @ 18% on the belated construction interest. Appellant has also deducted Rs. 15,549 towards TDS. Admittedly this amount has not been deposited by the appellant with the Income Tax Department.

4. Parties are always governed by the terms and conditions of the contract. In terms of the contract the appellant DDA was liable to pay interest @ 7% upto 30 months and @ 10% beyond 36 months. Since TDA amount has not been deposited with the Income Tax Authorities, the DDA was liable to either refund this amount or give a certificate that this amount was deducted and deposited with the Income Tax Authorities.

5. Merely because the appellant DDA was required to pay interest @ 10% beyond the period of 36 months did not entitle the DDA to delay the delivery of possession for inordinately long time and, therefore, consumer was entitled to an amount as compensation as to the loss or injury suffered by him.

6. As regards the rate of interest as well as power of Consumer Forum to award interest there is no provision in the Consumer Protection Act to award interest as in terms of Section 14(1) of the Consumer Protection Act, the Consumer Fora is required to award an amount as compensation as to the loss or injury suffered by the consumer due to the negligence of the opposite party. Further, by virtue of Section 34 of CPC the Civil Courts have been empowered to award interest in the money suits. However, the Supreme Court in *Sovintorg (India) Ltd. v. State Bank of India*, II (1999) CPJ 4 (SC)=VI (1999) SLT 545=(1999) 6 SCC 406 and in *Ghaziabad Development Authority v. Union of India and Anr.*, II (2000) CPJ 1 (SC)=IV (2000) SLT 654, has held that in spite of there being no provision in the Consumer Protection Act for awarding interest and in spite of the fact that provision of Section 34, CPC may not be applicable to the Consumer Protection Act, still the Consumer Fora can award reasonable interest on the grounds of equity, good conscience and justice. It has also held that reasonable interest means that the interest should be neither too low nor too high. As per provisions of Section 34, CPC the Civil Court are required to award interest at the rate on which the money is lent or borrowed from the Nationalised banks.

7. Applying the aforesaid ratio laid down by the Supreme Court and in the given facts and circumstances of the case, we award compensation of Rs. 25,000 for delayed delivery of possession besides the interest awarded by the District Forum @ 7% and 10% and reduce the interest from 18% to 12% on the amount towards delayed construction interest.

8. Aforesaid order shall be complied with within one month.

9. Appeal is allowed to the aforesaid extent.

10. F.D.R./Bank Guarantee, if any, furnished by the appellant be returned forthwith after completion of due formalities.

11. A copy of this order as per the statutory requirements be forwarded to the parties free of the charge and also to the concerned District Forum and, thereafter, the file be consigned to Record Room.

Appeal allowed.

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