

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CWP No.15280 of 2019

Date of Decision : 10.09.2019

Arsh Kumar Garg

....Petitioner

Versus

The Chairman, Permanent Lok Adalat and others

...Respondents

CORAM : HON'BLE MR.JUSTICE TEJINDER SINGH DHINDSA

...

Present : Mr.Amrinderjit Singh Sandhu, Advocate
for the petitioner.

TEJINDER SINGH DHINDSA, J.(ORAL)

Petitioner, namely Arsh Kumar Garg filed an application under Section 22(c) of the Legal Services Authorities Act, 1987 (hereinafter referred to as the 'Act') before the Permanent Lok Adalat (Public Utility Services), Bathinda on 30.07.2015 for settlement of a dispute that had arisen with respondent No.2 herein namely Emerging India Housing Corporation (P) Limited. Briefly noticed the dispute was on account of a Villa having been booked with respondent No.2 and the possession thereof having not been delivered.

The application filed by the petitioner under Section 22(c) of the Act has been dealt with vide award dated 01.05.2019 (Annexure P-12) and directions have been issued for the developer to refund to the petitioner a sum of Rs.20 lacs along with interest @ 9% per annum w.e.f. 05.09.2018 i.e. the date when conciliation failed and till actual realisation.

Counsel would confine the scope of the instant writ petition

and challenge to the award dated 01.05.2019 (Annexure P-12) as regards quantum of interest that has been awarded

Counsel would vehemently argue that the villa had been booked on 12.01.2013 by making an initial deposit of Rs.2 lacs and thereafter a provisional letter of allotment was issued on 29.03.2014. Thereafter on different dates the petitioner had made deposits of money totaling to Rs.20 lacs. The developer did not carry out construction work on the spot and which had forced hands of the petitioner to approach the Permanent Lok Adalat. Further urged that during the proceedings before the Permanent Lok Adalat itself, the developer-respondent No.2 had undertaken to deliver possession of the villa within a period of three years from the date of issue of letter of allotment and in spite thereof possession of the villa had not been given to the petitioner. Counsel contends that under such circumstances the rate of interest awarded by the Lok Adalat @ 9% per annum is meager. Further more, for purposes of computation of interest the period had been directed by the Lok Adalat to commence from the date conciliation proceedings had failed whereas it ought to commence from the date the application had been instituted i.e. 30.07.2015.

Having heard counsel for the petitioner at length and having perused the pleadings on record, this Court is of the considered view that no intervention in the matter is called for.

During the course of arguments it has gone uncontroverted that as per allotment letter dated 29.03.2014 there was no provision

for a refund in the case of default on the part of the developer. Be that as it may, since possession of the villa had not been delivered, the Permanent Lok Adalat has taken a view that the allottee/petitioner ought to be compensated. Under such circumstances the entire amount that the petitioner had deposited with respondent No.2 has been directed to be refunded. There is also no dispute that as per allotment letter there was a three years time frame for delivery of possession. Such period fructified on 28.03.2017. The application under Section 22(c) of the Act had been preferred by the allottee/petitioner even prior thereto i.e. on 30.07.2015. As per scheme of the Act it was imperative for the Permanent Lok Adalat to have initiated conciliation proceedings prior to entering into adjudication. Since the conciliation proceedings had failed on 05.09.2018, accordingly the Lok Adalat has fixed such date for the purpose of commencement of the period for computation of interest component. No exception can be taken to such view. That apart, interest @ 9% per annum has been awarded. Even the rate of interest is more than what a fixed deposit would fetch today from any bank. There would be no occasion for this Court to accept the prayer raised on behalf of the petitioner to increase the rate of interest that has been awarded.

There is no merit in the instant petition.

Dismissed.

10.09.2019	(TEJINDER SINGH DHINDSA)
dss	JUDGE

Whether speaking/reasoned	Yes
Whether reportable	No