19/06/2024, 15:08 Daily Order

## DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION-I, U.T. CHANDIGARH

Consumer Complaint No.	:	CC/889/2021
Date of Institution	:	13/12/2021
Date of Decision	:	18/06/2024

- 1. Rekha Rani W/o Sh.Naveen Kumar,
- 2. Naveen Kumar S/o Sh.Om Parkash, both R/o H.No.2189, Sector 21-C, Chandigarh.

... Complainants

## VERSUS

- 1. Haryana Urban Development Authority, through its Chief Administrator, HUDA, Sector 6, Panchkula.
- 2. The Estate Officer, HUDA, Karnal, through its Estate Officer.

... Opposite Parties

CORAM : PAWANJIT SINGH PRESIDENT SURESH KUMAR SARDANA MEMBER

**ARGUED BY** : Sh.Sanjiv Gupta, Advocate for Complainants.

: Sh.Sikander Bakshi, Advocate for OPs.

## Per Suresh Kumar Sardana, Member

Averments are that the complainants are the joint owners of show room site No.11, Sector 14, Meerut Road, Urban Estate, Karnal, measuring 360 sq. mts (initially allotted show room site No.2, Sector 14, Urban Estate, Karnal) & being aggrieved by the illegal action of OP's in retaining amount deposited by complainants on account of interest/delayed payments/penalties & not refunding the same. Initially show room site No.2, Sector 14, Karnal was allotted vide allotment letter dated 20.03.1991 in the name of Sh.Surinder Kumar, Sh.Amit Kumar and Sh.Vikram, in open auction for cost of Rs.14,22,000/- held on 24.01.1991. Accordingly, Rs.3,55,000/- i.e., 25% towards the total price of the plot was duly deposited (Annexure C-1). The OPs have failed to deliver the possession of site within 90 days and accordingly the balance 75% amount was not paid by allottees, as admittedly the alternate site bearing show room site No.11, Sector 14, Karnal was allotted on 18.4.2012. However, the complainants still made the payment of Rs.49,47,833/- by 3.6.2008, in addition to aforementioned 25% payment i.e., Rs.3,55,000/- and thereafter Rs.1350 on 17.10.2008 as interest on interest. Aggrieved by said action of OPs in not handing over the possession of site from 20.03.1991 till 18.4.2012, the complainants approached the OPs, but they declined to accede to the request made by complainants for refund of amount charged on account of interest on installments, possession interest, penalty etc., as well as declined to grant interest on the amount lying deposited with OP's, although the OP's

about:blank 1/3

19/06/2024, 15:08 Daily Order

admittedly had failed to deliver the possession for more than long period of 21 years and for this lapse and negligence on the part of OP's the site has remained continuously in litigation. Hence, is the present consumer complaint.

- 2. OPs contested the consumer complaint, filed their written reply and stated that the allottees failed to deposit the due installments in time in spite of issuance of various demand notices under Section 17 of the HUDA Act, 1977 and as such violated the terms and conditions of the allotment letters, the payment of installments on the due date is mandatory in case the payment of installments is not made on the due date, presently the interest on delayed payment of installment is @ 15% per annum simple. It is further stated that in future the allottee-complainant shall have to pay the interest simple or compound on the delayed payment of installments as decided by the authority from time to time irrespective of the fact whether the possession has been offered or not without the prejudice to the rights of the authority to take action under Section 17 of the HUDA Act. Thus, the complainant is bound to deposit the amount of installment alongwith interest @ 15% per annum for the delayed period. On these lines, the case is sought to be defended by the OPs.
- 3. No rejoinder was filed by the complainants.
- 4. Parties led evidence by way of affidavits and documents.
- 5. We have heard the learned counsels for the parties and gone through the record of the case.
- 6. The main grievance of the complainants are that being the highest bidder in the open auction of showroom of OPs as mentioned in above paras, the possession of the same was not handed over till date and moreover OPs declined to accede to the request made by them for refund of amount charged on account of installments, interest, penalty etc. which amounts to deficiency in service and unfair trade practice.
- 7. It is an admitted fact that the said showroom in question was put to auction by the OPs and was required to be allotted to the highest bidder. The OPs have taken a stand that auction purchaser is not a consumer. In support of their argument, learned counsel for the OPs has relied upon the judgment of the Hon'ble Apex Court in the case titled U.T. Chandigarh Administration & Anr. Vs. Amarjeet Singh & Ors., (2009) 4 SCC 660, and the relevant portion of the same is reproduced below for ready reference:

"Where there is a public auction without assuring any specific or particular amenities, and the prospective purchaser/lessee participates in the auction after having an opportunity of examining the site, the bid in the auction is made keeping in view the existing situation, position and condition of the site. If all amenities are available, he would offer a higher amount. If there are no amenities, or if the site suffers from any disadvantages, he would offer a lesser amount, or may not participate in the auction. Once with open eyes, a person participates in an auction, he cannot thereafter be heard to say that he would not pay the balance of the price/premium or the stipulated interest on the delayed payment, or the ground rent, on the ground that the site suffers from certain disadvantages or on the ground that amenities are not provided.

With reference to a public auction of existing sites (as contrasted from sites to be `formed'), the purchaser/lessee is not a consumer, the owner is not a `trader' or `service provider' and the grievance does not relate to any matter in regard which a complaint can be filed. Therefore, any grievance by the purchaser/lessee will not give rise to a complaint or consumer dispute and the fora under the Act will not have jurisdiction to entertain or decide any complaint by the auction purchaser/lessee against the owner holding the auction of sites."

- 8. In view of the aforesaid discussion and the reasons recorded hereinbefore, auction purchaser is not a consumer. Hence, we do not find any deficiency in service or unfair trade practice on the part of the OPs. Accordingly, the consumer complaint, being meritless, is hereby dismissed, leaving the parties to bear their own costs. However, the complainants shall be at liberty to agitate the issue mentioned above before a Court of competent jurisdiction/appropriate Forum.
- 9. Pending miscellaneous application, if any, also stands disposed of.
- 10. Certified copies of this order be sent to the parties free of charge. The file be consigned.

about:blank 2/3

19/06/2024, 15:08 Daily Order

18/06/2024 Ls Sd/-[Pawanjit Singh] President Sd/-[Suresh Kumar Sardana] Member

about:blank 3/3