

**IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION**

**Civil Appeal No 2837 of 2020**

**Mantri Developers Private Limited and Another**

**Appellant(s)**

**Versus**

**Vasanth Kumar MK**

**Respondent(s)**

**ORDER**

- 1 The National Consumer Disputes Redressal Commission, has by its judgment dated 19 March 2019, granted refund to the flat purchaser on the ground that possession of the apartment which was the subject matter of the agreement between the parties has not been handed over. The date of the agreement in the present case was 22 July 2013. The date for handing over of possession was 31 July 2016. The directions which have been issued by the NCDRC are in the following terms:

“Admittedly, out of sum of Rs.1,03,90,953/-/- the complainant had paid sum of Rs.59,06,617/- from. his account :and· the balance sum of Rs.44,84.336/- was paid by the bank under the Tripartite EMI Agreement between the parties. The National Consumer Dispute Redressal Commission in case of Vijav. Kumar & Anr. Vs. Mis. S.S. Group Pvt. Ltd. & Ors. in C.C. No. 706 of 2015 decided on 20.11.2018, has awarded interest @ 12% per annum. We, therefore, award interest @ 12% per annum on the sum of Rs.59,06,617/- from date of its respective deposits till its realization. The amount of Rs.44,84,336/- which was loan taken under tripartite EMI Agreement and was refundable on the reducing interest which initially was 10.40% and as informed by the complainant is 8.75%, the OP-1 shall refund this amount to complainant alongwith interest @ 12% per annum from January 2016 till date of actual payment. It is made clear that it is he liability of the complainant to clear the loan amount. For the deficiency in service and mental harassment we also award compensation for sum of Rs.3,00,000/- (Rupees Three Lacs Only)

to the complainant along with cost of litigation of Rs.50,000/- (Rupees Fifty Thousands Only).”

- 2 We have heard Mr Shekhar G Devasa, learned counsel appearing on behalf of the appellants and Mr. Shankar Divate, learned counsel appearing on behalf of the respondent.
- 3 At the outset, it is necessary to clarify that the figure of Rs 59,06,617 in the first sentence extracted above is a typographical error since even according to the complaint of the purchaser, the amount which had been paid over to the builder was Rs 57,06,617. The figure which is contained in the first sentence of the paragraph 14 of the judgment of the NCDRC, as agreed between the learned counsel for the parties, shall stand corrected as Rs 57,06,617.
- 4 During the course of the hearing, we have indicated to the learned counsel that having regard to the orders which have been passed by this Court in other cases involving refund to flat purchasers, the rate of interest which has been awarded by the NCDRC, should be scaled down to nine per cent. Learned counsel for the appellant argued that the interest of 12 per cent which has been awarded by the NCDRC is excessive. Learned Counsel for the respondent has fairly left the determination of an appropriate rate of interest to the discretion of this Court, but submitted that the flat buyer is keen on a refund at an early date. Learned counsel for the appellant has sought time to comply with the order of refund.
- 5 Having regard to the rival submissions, we issue the following directions:
  - (i) The appellant shall pay to the respondent the amount, as awarded by the NCDRC with interest at nine per cent per annum. The impugned order dated 19 March 2019 shall stand modified by a reduction of the rate of interest to nine per cent ;
  - (ii) The appellant shall pay over the principal amount together with interest at nine per cent per annum in terms of (i) above to the respondent by 15 November 2020, failing which the appellant shall lose the benefit of

the present order and the order passed by the NCDRC shall become executable forthwith; and

(iii) In the event that the appellant pays over the principal amount together with interest at nine per cent per annum in terms of (i) above, the direction for the award of compensation of Rs 3 lakhs shall stand set aside.

6 The appeal is accordingly disposed of since no other point has been pressed on either side.

7 Pending applications, if any, stand disposed of.

.....J.  
**[Dr Dhananjaya Y Chandrachud]**

.....J.  
**[Indu Malhotra]**

.....J.  
**[K.M. Joseph]**

**New Delhi;  
August 18, 2020**

ITEM NO.3

Court 4 (VC)

SECTION XVII-A

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

Civil Appeal No.2837/2020

MANTRI DEVELOPERS PVT LTD & ANR.

Appellant(s)

VERSUS

VASANTH KUMAR MK

Respondent(s)

(With appln.(s) for early hearing and ex-parte stay)

Date : 18-08-2020 These matters were called on for hearing today.

CORAM :

HON'BLE DR. JUSTICE D.Y. CHANDRACHUD  
HON'BLE MS. JUSTICE INDU MALHOTRA  
HON'BLE MR. JUSTICE K.M. JOSEPH

For Appellant(s) Mr. Shekhar G. Devasa, Adv.  
Mr. Manish Tiwari, Adv.  
Mr. Luv Kumar, Adv.  
For M/s. Devasa & Co.

For Respondent(s) Mr. Shankar Divate, AOR

UPON hearing the counsel the Court made the following  
O R D E R

- 1 The appeal is disposed of in terms of the signed order.
- 2 Pending applications, if any, stand disposed of.

(CHETAN KUMAR)  
AR-cum-PS

(SAROJ KUMARI GAUR)  
BRANCH OFFICER

(Signed order is placed on the file)