

# Aura Infrastructure Pvt. Ltd. vs Rajesh Kumar Singhal on 8 January, 2020

**Bench: D.Y. Chandrachud, Hrishikesh Roy**

SLP 10942/2019

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IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

Civil Appeal No 89 of 2020  
(Arising out of SLP (C) No 10942 of 2019)

Aura Infrastructure Pvt Ltd

Versus

Rajesh Kumar Singhal

ORDER

1 Leave granted.

2 The dispute in the present case arises from an agreement b

appellant and the respondent dated 17 January 2008 by which the appellant agreed to sell a residential flat to the respondent for a consideration of Rs 14,25,000. The respondent paid an amount of Rs 13,53,750. The date for completion was April 2009. The construction of the flat was not completed, as a result of which the respondent instituted a consumer complaint before the State Consumer Disputes Redressal Commission 1, New Delhi. The complaint was allowed in terms of the following directions:

“a. refund the amount of Rs.13,55,750/- alongwith interest @ 18% p.a. from the date of its deposit till the date of its realization. b. to pay an amount of Rs.3,00,000/- towards compensation for harassment, inconvenience, sadness, frustration and mental agony caused to the complainant.

c. to pay litigation charges to the tune of Rs.50,000/- to the Reason: complainant.” 1 SCDRC 3 The order of the SCDRC was challenged before the National Consumer Disputes Redressal Commission<sup>2</sup> by the appellant in a first appeal which was dismissed on 18 January 2019. While entertaining the Special Leave Petition under Article 136 of the Constitution, the following order was passed by this Court on 7 May

2019:

“Issue notice returnable in ten weeks, confined to the quantum of interest awarded by the NCDRC.

We direct that, in the meantime, execution of the order directing payment of interest in excess of 9% shall remain stayed.

Learned counsel appearing on behalf of the petitioner states that, in the meantime, the petitioner will pay an amount representing the principal and interest at the rate of 9% per annum to the respondent.

We clarify that acceptance of the above amount by the respondent shall be without prejudice to the rights and contentions of the parties.

Learned counsel for the petitioner states that the amount shall be paid within a period of eight weeks from today.

Consequently, during this period, no coercive steps shall be taken against the petitioner.” 4 In pursuance of the above order, the appellant paid the principal, together with interest computed at the rate of 9% per annum to the respondent. 5 The limited grievance of the appellant, in the submissions of learned counsel before this Court is that interest at the rate of 18% per annum awarded by the SCDRC is excessive. On the other hand, learned counsel appearing on behalf of the respondent submitted that the flat purchase agreement envisages that in the event of a delay on the part of the purchaser, the appellant would charge interest at the rate of 20% per annum. Hence, it was urged that the

2 NCDRC award of interest at 18% per annum to the purchaser is fair. 6 Having heard the rival submissions, we are of the view that the award of interest should be scaled down. While the respondent as the flat purchaser is entitled to interest for the delay on the part of the appellant, the rate of interest must be reasonable. We accordingly modify the order of the SCDRC, as affirmed by the impugned order, and reduce the rate of interest to 9% per annum. Admittedly, the principal, together with interest as aforesaid at the rate of 9% per annum, has been paid over to the respondent. In addition, we direct that the appellant shall pay compensation in the amount of Rs 3,50,000 as awarded by the SCDRC within a period of two months from today. Learned counsel appearing on behalf of the respondent has also fairly stated that the costs of Rs 20,000 which were awarded by the NCDRC shall be paid over to the respondent, together with the above payment within the same period. 7 The appeal is partly allowed in the above terms. There shall be no order as to costs.

.....J. [Dr Dhananjaya Y Chandrachud]  
.....J. [Hrishikesh Roy] New Delhi;

January 08, 2020

ITEM NO.38

COURT NO.8

SECTION XVII-A

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

AURA INFRASTRUCTURE PVT. LTD.

Appellant(s)

VERSUS

RAJESH KUMAR SINGHAL

Respondent(s)

(With appln.(s) for permission to file additional documents/facts/ Annexures) Date : 08-01-2020  
These matters were called on for hearing today. CORAM :

HON'BLE DR. JUSTICE D.Y. CHANDRACHUD HON'BLE MR. JUSTICE  
HRISHIKESH ROY For Appellant(s) Mr. Praveen Mahajan, Adv.

Ms. Nivedita Jain, Adv.

Mr. Rakesh K. Sharma, AOR

For Respondent(s)

Mr. L.B. Rai, Adv.  
Mr. Shankar Divate, AOR

UPON hearing the counsel the Court made the following O R D E R Leave granted.

The appeal is allowed in terms of the signed order.

(Chetan Kumar)  
A.R.-cum-P.S.

(Saroj Kumari Gaur)  
Court Master

(Signed order is placed on the file)