



CWP-27717-2025 (O&M)

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

Sr. No.108**CWP-27717-2025 (O&M)****Date of decision: 17.09.2025**

Greater Ludhiana Area Development Authority (GLADA) and another

..... Petitioners

VERSUS

National Consumer Disputes Redressal Commission and others

..... Respondents

**CORAM: HON'BLE MR. JUSTICE GURVINDER SINGH GILL
HON'BLE MR. JUSTICE DEEPIINDER SINGH NALWA**

Present: Mr. D.V. Sharma, Senior Advocate with
Ms. Shivani Sharma, Advocate, for the petitioners.

DEEPIINDER SINGH NALWA, J.

1. In the present writ petition, the petitioners (GLADA) have challenged the order dated 07.11.2024 (Annexure P-1) passed by the National Consumer Disputes Redressal Commission, New Delhi (hereinafter referred to as the 'NCDRC') in First Appeal No.2171 of 2018 and the order dated 01.06.2018 (Annexure P-2) passed by the State Consumer Disputes Redressal Commission, Punjab, (hereinafter referred to as the 'SCDRC') in Consumer Complaint No.883 of 2017, whereby, the complaint filed by respondent No.3-complainant was partly allowed



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and was held entitled for grant of refund of deposited amount and transfer fee along with interest and compensation.

2. Brief facts of the case are that the petitioners-Greater Ludhiana Area Development Authority (hereinafter referred to as the 'GLADA') advertised a Scheme in the year 2012 for the purpose of allotment of 601 residential plots at Sugar Mill Site, Jagraon. Pursuant to abovesaid Scheme, Mrs. Kanta wife of Sh. Gulshan Kumar applied for allotment of one plot measuring 500 sq. yard for a total tentative price of Rs.42,50,000/-. Being successful in the draw of lots held on 10.01.2013, Letter of Intent dated 28.02.2013 was issued by the petitioners (GLADA) in respect of the plot bearing No.3 in the abovesaid Scheme, after receiving 25% amount of total tentative price of the plot i.e. Rs.10,62,500/-. Allotment letter dated 29.08.2015 was also issued to Mrs. Kanta. Respondent No.3-complainant purchased the abovesaid plot from Mrs. Kanta (original allottee) by way of transfer with the prior permission of the petitioners (GLADA). Re-allotment letter was issued in favour of respondent No.3-complainant on 21.12.2015 in respect of the said plot with a condition that respondent No.3-complainant would abide by all the conditions of allotment letter, Punjab Urban Estate (Development & Regulations) Act, 1964, Regional and Town Planning and Development Act, 1955 and the Rules/ Regulations framed therein. Respondent No.3-complainant paid an amount of Rs.9,13,750/- to the petitioners (GLADA) on 01.09.2016. He again paid a sum of Rs.10,00,000/- to the petitioners



(GLADA) on 22.12.2016 and thereafter, was continuously paying the installments on time without any default. Respondent No.3-complainant in all, had paid a sum of Rs.29,76,250/- towards the price of plot in question. The plot in question was to be handed over to the allottee within 90 days from the date of issuance of allotment letter, however, the same had not been delivered to respondent No.3-complainant even after expiry of two years. Respondent No.3-complainant approached the petitioners (GLADA) several times for requesting to hand over the due possession of the plot but the petitioners (GLADA) failed to do so.

3. Aggrieved against the action of the petitioners (GLADA) in not handing over the possession of the plot in question to respondent No.3-complainant, a complaint was filed by respondent No.3-complainant under Section 17(1)(a)(i) of the Consumer Protection Act, 1986 (hereinafter referred as 'the CP Act') before respondent No.2 wherein, direction was sought for refund of the amount of Rs.29,76,250/- deposited by respondent No.3-complainant against the price of the plot along with interest @ 12% per annum. It was also prayed in the abovesaid complaint for a direction to the petitioners (GLADA) to refund an amount of Rs.1,08,750/- deposited by respondent No.3-complainant as transfer fee along with the interest @ 12% per annum. Apart from this, it was further prayed for an amount of Rs.7,00,000/- as compensation for harassment, inconvenience, mental agony and financial loss suffered by respondent No.3-complainant along with Rs.33,000/- as litigation expenses. Further,



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the case set-up by respondent No.3-complainant was that in spite of the fact that he had deposited substantial amount, but the petitioners (GLADA) had not handed over the possession of the plot in question to respondent No.3-complainant. It was his case that allotment letter was issued on 29.08.2015, the possession had to be given within 90 days from the date of issuance of abovesaid allotment letter. It was also the case of respondent No.3-complainant that even after expiry of two years, possession of the plot had not been handed over to respondent No.3-complainant. As such, there was a deficiency in service on the part of the petitioners (GLADA) and respondent No.3-complainant was entitled for refund of the amount deposited by him and transfer fee along with interest and compensation.

4. Upon notice, the petitioners (GLADA) duly filed reply in the abovesaid complaint. It was the case of the petitioners (GLADA) that infact, respondent No.3-complainant had purchased the plot only for speculative purpose to make some easy money. However, as the price of the plot in question did not increase, as such, respondent No.3-complainant had started finding faults in the Scheme only to wriggle out of it by incurring least loss to him. It was also the case of the petitioners (GLADA) that infact, the original allottee nor respondent No.3-complainant had ever approached the petitioners (GLADA) for taking over the possession not only within 90 days from the date of issuance of allotment letter, but even till date of filing of the reply, respondent No.3-



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complainant had not taken the possession of the plot. It was the case of the petitioners (GLADA) that respondent No.3-complainant had not taken the possession of the plot within 90 days from the date of issuance of the allotment letter, as such, it would be deemed to have been handed over to respondent No.3-complainant on the expiry of the abovesaid period. It was also pleaded by the petitioners (GLADA) that the plots were ready for possession on 30.09.2015 onwards. The site had enough approach to carry the building material etc. and respondent No.3-complainant was only trying to plead the lack of connectivity with the National Highway as a lame excuse. It was also pleaded by the petitioners (GLADA) that No Objection Certificate (NOC) for access to the National Highway had been applied by the Executive Engineer, Central Works Division No.1, P.W.D (B&R), Ludhiana, which is a Government agency and not the petitioners (GLADA) as projected by respondent No.3-complainant. As per the report of construction wing, all the works stood completed on 30.09.2015 well before the deemed date of delivery of possession i.e. 29.11.2015, as such, respondent No.3-complainant had no moral right to seek the refund of amount as claimed by him.

5. The SCDRC after taking into consideration the facts of the case and the evidence led by the parties passed the order dated 01.06.2018 (Annexure P-2), whereby, the complaint filed by respondent No.3-complainant was partly allowed. Relevant extract of the directions issued



vide order dated 01.06.2018 (Annexure P-2) by the SCDRC is reproduced below:-

“i) to refund the amount of Rs.29,76,250/- to the complainant along with interest at the rate of 12% per annum from the dates of different deposits till the date of actual payment;

ii) to refund the amount of Rs.1,08,750/- to the complainant deposited by him as transfer fee along with interest @ 12% per annum; and

iii) to pay Rs.1,00,000/- as compensation, for harassment, inconvenience, mental agony and financial loss suffered by him, including litigation expenses.

19. The opposite parties shall comply with these directions within a period of one month from the date of receipt of certified copy of the order, failing which they shall be liable to pay interest at the rate of 12% per annum on the amount of Rs.1,00,000/- from the date of order till the date of compliance.

20. The complaint could not be decided within the statutory period due to heavy pendency of court cases.”

6. A perusal of the order dated 01.06.2018 (Annexure P-2) passed by SCDRC would show that Clause 4 of the allotment letter was taking into consideration by the SCDRC and a finding was given that the plot was never handed over to respondent No.3-complainant within 90 days from the date of issuance of allotment letter, in spite of the fact, substantial amount was paid by respondent No.3-complainant, as such, there was a deficiency in the service and respondent No.3-complainant was entitled for refund of the amount deposited by him. A perusal of the



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same would also show that as per the information obtained from the Divisional Engineer (C-2), GLADA under RTI Act, 2005, it was apparent that till 05.09.2017, the National Highway Authority had not given any approval to the petitioners (GLADA) for approach road to be constructed and connected to the National Highway. Reliance was also made on Ex.C-8 to an effect that no sewerage connection was allotted by the Authority to the petitioners in the project to be developed. It was also held by the SCDRC that infact, no evidence was led by the petitioners (GLADA) to show that possession of the plot in question was ever handed over to respondent No.3-complainant within 90 days from the date of issuance of the allotment letter. Relevant extract of the order dated 01.06.2018 (Annexure P-2) passed by SCDRC is reproduced below:-

"15. So far as the contention of the learned counsel for the opposite parties that there is provision for deemed delivery of possession to complainant, in case of failure of complainant to take it, is concerned, we are afraid, there is nothing on the record to substantiate it. Once complainant has paid substantial amount towards sale consideration of the plot in question and as such, they were duty bound to deliver the possession within 90 days from the date of issue of allotment, because not only 25% of the tentative amount but complainant has paid substantial amount towards the price of the plot to the opposite parties. We find that only obvious reason in non-delivery the possession by the opposite parties to complainant is on account of non-development of the project, which justifies the complainant to seek refund of the deposited amounts with the opposite parties. Similar view has been taken by the First Additional Bench of this Commission in



*CC No.878 of 2017 (**Rajwinder Kaur V. Punjab Urban Planning & Development Authority and others**).*

16. *So far as the documents appended by the opposite parties Ex. OP-1 and documents Ex.OP-2/2 to Ex.OP-2/5 are concerned, the same appear to have been prepared by the opposite parties themselves for the purpose of this case only. From the perusal of the same it is not clear that the facilities/amenities as promised have been provided at the site. No Completion Certificate/Partial Completion Certificate or Occupancy Certificate has been placed on record by the opposite parties. As stated above, the possession of the fully developed plot was to be delivered upto 28.11.2015 and more than two years have already lapsed but the possession has not been delivered inspite of payment of substantial amount towards the sale price of the plot in question. The complainant cannot be made to wait for delivery of possession of the plot for an indefinite period and once the complainant had lost faith in the opposite parties with regard to the development of the project and delivery of possession of the plot in question, he was very much within his rights to withhold further payments. It is now well settled that a consumer cannot be compelled to take delivery of possession of the flat/plot/apartment after the expiry of the stipulated date of delivery of possession of the same as agreed between the parties.*

17. *The C.P. Act came into being in the year 1986. It is the benevolent piece of legislation to protect the consumers from exploitation. The spirit of the benevolent legislation cannot be overlooked and its object is not to be frustrated. The complainant has made payment of substantial amount towards the price of the plot in question to the opposite parties with the hope to get the possession of the fully developed plot in a reasonable period. The circumstances clearly show that the opposite parties made false statement of facts about the goods and services i.e. development of the plot and ultimate delivery of possession. The act and conduct*



of the opposite parties is a clear case of misrepresentation and deception, which resulted in the injury and loss of opportunity to the complainant. Had the complainant not invested his money with the opposite parties, he would have invested the same elsewhere. There is escalation in the price of construction also. The complainant has suffered loss, as discussed above. The opposite parties are under obligation to deliver the possession of the plot/unit/flat within a reasonable period. The complainant cannot be made to wait indefinitely to get possession of the plot. It is the settled principle of law that compensation should be commensurate with the loss suffered and it should be just, fair and reasonable and not arbitrary. The amount paid by the complainant is a deposit held by the opposite parties in trust of complainant and it should be used for the purpose of developing/building the plots/flats. The opposite parties are bound to compensate for the loss and injury suffered by the complainant for failure to deliver the possession, so has been held in catena of judgments by the Hon'ble Supreme Court and the Hon'ble National Commission.”

7. Aggrieved against the order dated 01.06.2018 (Annexure P-2) passed by the SCDRC, the petitioners (GLADA) filed an appeal before the NCDRC, New Delhi. The abovesaid appeal filed by the petitioners (GLADA) was disposed of vide order dated 07.11.2024 (Annexure P-1). A perusal of the abovesaid order passed by the NCDRC would show that the order dated 01.06.2018 (Annexure P-2) passed by SCDRC was modified. The relevant extract of the said order is reproduced below:-

“i. The Appellant/Opposite party shall refund Rs.29,76,250/- and Rs.1,08,750/- to the complainant with interest @ 9% p.a. from the date of respective deposits till its realization.



In case of default, the interest shall carry @ 12% per annum for such extended period.

ii. The Appellant/opposite party shall pay Rs.10,000/- to the complainant as costs.

iii. The compensation of Rs.1,00,000/- awarded towards harassment, inconvenience, mental agony and financial loss is set aside.

20. The First Appeal No.2171 of 2018 is disposed of accordingly.”

8. A perusal of the order dated 07.11.2024 (Annexure P-1) passed by the NCDRC, New Delhi would show that it has been held that after paying substantial amount by respondent No.3-complainant, the petitioners (GLADA) failed to deliver the possession of the plot in question within 90 days from the date of issuance of allotment letter and the non-delivery of possession constitutes deficiency in service. Relevant extract of the order dated 07.11.2024 (Annexure P-1) passed by the NCDRC is reproduced below:-

“15. While the OPs claimed deemed possession, there is nothing on record to substantiate the same and, having paid substantial amount as consideration, the OPs were bound to deliver possession within 90 days from the date of issue of allotment. Therefore, non-delivery of possession constitutes deficiency in service. He cannot be made to wait indefinitely. It is now well settled that a consumer cannot be compelled to take delivery of possession of the unit after the expiry of the stipulated date of delivery as agreed by the parties.



16. *In view of the discussion above, I am of the considered view that the State Commission order does not suffer from any illegality or impropriety, except for quantum of compensation awarded."*

9. Aggrieved against the order dated 01.06.2018 (Annexure P-2) passed by the SCDRC and the order dated 07.11.2024 (Annexure P-1) passed by the NCDRC, New Delhi, the petitioners have filed the present writ petition.

10. The only argument raised by the learned senior counsel appearing on behalf of the petitioners (GLADA) is that as per Clause 4 of the allotment letter, if the possession of the plot in question is not taken by the allottee within a stipulated period, it shall be deemed to have been handed over on the expiry of the abovesaid period. It is the case of the learned senior counsel appearing for the petitioners (GLADA) that as respondent No.3.-complainant had not taken the possession within 90 days of the issuance of allotment letter, as such, respondent No.3-complainant was not entitled for refund of any amount deposited by him and there was no deficiency in service on the part of the petitioners (GLADA). Reliance is also placed upon the judgment passed by the Hon'ble Supreme Court in **Civil Appeal Nos. 2809-2812A of 1986** titled as **Bareilly Development Authority and another Vs. Ajay Pal Singh and others, Law Finder Doc Id #89263** decided on 17.02.1989. No other argument has been advanced.



11. We have heard the learned senior counsel appearing on behalf of the petitioners (GLADA) and gone through the documents available on the record.

12. A perusal of the facts of the present case would reveal that the only issue arises for consideration is whether respondent No.3-complainant was deemed to have been handed over the possession of the plot in question on expiry of 90 days of issuance of the allotment letter. In order to decide the abovesaid issue, it is relevant to reproduce Clause-4 of the allotment letter and the same is reproduced below:-

“4. POSSESSION AND OWNERSHIP

i) Possession of plot shall be handed over to allottee within 90 days of issue of allotment letter provided 25% of the tentative price has been paid. If possession is not taken by the allottee within stipulated period, it shall be deemed to have been handed over on the expiry of the said period.

ii) The ownership of land continues to vest with PUNJAB URBAN PLANNING AND DEVELOPMENT AUTHORITY until full payment is made of all outstanding dues in respect of said plot.

iii) Within 90 days of payment of entire money as per (ii) above allottee shall be required to execute a deed of conveyance in prescribed form and prescribed manner. The expenses for registration and execution of conveyance deed shall be borne by the allottee.

iv) The allottee shall have no right to transfer by way of sale, gift, mortgage or otherwise, the Plot or any



other rights, title or interest in the said plot except with the prior permission of Estate Officer, which may be granted subject to payment of such fee/charges, as may be determined from time to time.”

13. A perusal of Clause-4 (i) would show that possession of the plot shall be handed over to the allottee within 90 days of issuance of allotment letter provided 25% of the tentative price has been paid. If possession is not been taken by the allottee within stipulated period, it shall be deemed to have been handed over on the expiry of the abovesaid period. Clause-4 (i) would show that at the first instance, the petitioners (GLADA) had to hand over respondent No.3-complainant the possession of the plot within 90 days of issuance of the allotment letter. In case, respondent No.3-complainant did not take the possession of the plot, in that case, it shall be deemed to have been handed over to respondent No.3-complainant on expiry of the said period. A perusal of the facts of the present case would show that no evidence has been led by the petitioners (GLADA) to show that the plot in question was ever handed over to respondent No.3-complainant within 90 days from the date of issuance of allotment letter. The concept of deemed possession will apply in terms of Clause-4 of the allotment letter only when the petitioners (GLADA) had offered to hand over the possession to respondent No.3-complainant within 90 days from the date of issuance of allotment letter.

14. It is also pertinent to mention here that the concept of deemed possession is attracted only in circumstances where the builder or seller



has completed all essential development works, made all requisite amenities and facilities functional and has expressed readiness and willingness to hand over the possession of the residential plots or units to the allottee or buyer. It is only when, despite such readiness on the part of the builder/seller, the buyer himself deliberately fails or refuses to take over the possession, the concept of deemed possession can be invoked. In the present case, there is no material evidence on record led by the petitioners (GLADA) to establish that respondent No.3-complainant was unwilling to accept the possession of the plot, even if offered by the petitioners (GLADA). It is not even the case of the learned senior counsel appearing on behalf of the petitioners (GLADA) that possession of the other plots were handed over to any other allottee under the said Scheme. Taking into consideration the facts of the case and the evidence led by the parties, it is held that the petitioners (GLADA) never handed over the possession of the plot in question within 90 days of issuance of allotment letter. As such, there is a clear deficiency on the part of the petitioners (GLADA).

15. Even otherwise, perusal of the facts of the present case and the evidence led by the parties would show that there was no connection of approach road to National Highway as no approval was given by the National Highway Authority till 05.09.2017. Ex.C8 would also show that neither sewerage connection has been allotted by the authority concerned to the petitioner's (GLADA) site nor Completion Certificate/Partial



Completion Certificate or Occupation Certificate was placed on record by the petitioners (GLADA).

16. In regard to reliance placed by the learned senior counsel upon the judgment passed by the Hon'ble Supreme Court in case **Bareilly Development Authority (supra)**, is concerned, a perusal of the abovesaid judgment would show that in the said case, the issue was in regard to increase demand of estimated cost of the flats. It was held by the Hon'ble Supreme Court that the right of the parties *inter se* are governed by the term of contract and not by constitutional provisions. The facts and circumstances of the abovesaid case are totally different and distinguishable, as such, the abovesaid judgment will not be applicable in the present case.

17. A High Court while exercising its power of judicial review against the order passed by the NCDRC, exercises a limited revisional jurisdiction and interferes only in the cases where, there is an error apparent in law or there is an illegality, impropriety or perversity in the impugned order.

18. Since no defect in the order passed by the NCDRC has been pointed out during the course of arguments and there is no evidence to hold that the orders suffer from any illegality, impropriety or perversity or incorrect appreciation of the evidence brought on record, we find that there are no sufficient grounds existing in the present writ petition to call



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for any interference in the order dated 01.06.2018 (Annexure P-2) passed by the SCDRC and the order dated 07.11.2024 (Annexure P-1) passed by NCDRC. Accordingly, the present writ petition is **dismissed in limine**.

19. Pending miscellaneous application(s), if any, also stand(s) disposed of.

(GURVINDER SINGH GILL) (DEEPINDER SINGH NALWA)
JUDGE JUDGE

17.09.2025

Ramandeep Singh

Whether speaking / reasoned Yes /No

Whether Reportable Yes/No