

## PUTTING THE HOUSING BOARD'S HOUSE IN ORDER

How much time does it require to ascertain the cost of a house after its completion? Believe it or not, our Housing Board (KHB) takes 14 years that too after the consumer asks for it. This inefficiency of KHB is brought to light by the National Commission in a case filed by a Mangalore consumer.

The KHB allotted a house to Dr M.D. Hegde of Mangalore in 1980 two years after it was fit for occupation. After paying the initial amount of Rs 33,185, the consumer paid up the balance in equal instalments. The agreement mentioned the cost of the house as Rs.60,685 and that KHB may alter the price at its discretion which would be binding on the purchase. After paying the entire amount, Dr Hegde approached the KHB to get the sale deed executed in his name. But the KHB wanted the purchaser to pay an additional Rs. 87,891. The purchaser saw no reason behind this increase and filed a complaint with the District Consumer forum.

The District Forum decided in favour of the purchaser and directed the KHB to execute the sale deed without demanding additional amount and also pay Rs 500 as compensation. The District Forum said that as per regulations 11 of the KHB'S Allotment Regulations, 1983, KHB is competent to revise the price of the house. But in this case, the house was completed in 1978 and hence the regulations of 1967 were applicable. A copy of this regulation was not made available to the forum. The forum said that no details of cost escalation were produced and nobody from the KHB had appeared in the Forum. Besides, the KHB had taken too long a period to finalise the price of the house.

On appeal, the state commission set aside the order of the District Forum, on the ground that pricing is not an issue which can be brought before the consumer forums. The purchaser approached the National Commission (NC) against the order of the state commission. After going through the arguments, the NC said that though consumer forums have no authority to go into the question of pricing, it is now well established that they can certainly go into the question of whether the builder or the development authority or housing board have adhered to the formula for increase in price.

Taking a serious view of the KHB's delay, the NC has upheld the decision of the district forum. NC asked KHB what it had been doing for 14 years. Could KHB not have calculated the completed cost of the house built in 1978? Why did they wait for a letter from the consumer to reach them in 1992 for execution of sale deed?

On verification of the details furnished by KHB, the NC found that interest was calculated up to 1987. When the house was handed over in 1980, how could interest run beyond this period? An angry NC has remarked that the high-handedness of the KHB is writ large. One cannot imagine that for a small house like the one in question, KHB should take 14 long years to arrive at the revised cost. Ultimately, the NC has asked the KHB to put its own house in order.

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