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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **RFA 516/2018 and C.M. Appl. Nos. 26954/2018, 26956/2018,
47115/2018, 47133/2018**

SATISH KUMAR & ANR

..... Appellants

Through: Mr. Joginder Sukhija, Advocate
(Mobile No. 9810315334).

versus

SUSHIL KUMAR

..... Respondent

Through: None.

CORAM:

HON'BLE MR. JUSTICE VALMIKI J. MEHTA

ORDER

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13.11.2018

1. In this appeal a limited notice was issued in terms of the order dated 11.7.2018 for reducing the rate of interest granted by the impugned judgment and decree dated 17.11.2017, and which order reads as under:-

“C.M. No.26955/2018(exemption)

1. Exemption allowed subject to just exceptions.
C.M. stands disposed of.

C.M. No.26953/2018 (for condonation of delay)

2. For the reasons stated in the application, delay of 88 days in filing the appeal is condoned.
C.M. stands disposed of.

+RFA No.516/2018 and C.M. Nos.26954/2018(stay) & 26956/2018(under Section 151 CPC)

3. This first appeal was argued at length. At the conclusion of the

arguments, learned counsel for the appellants states that appeal is only pressed for reduction of high rate of interest of 12% granted in terms of the impugned judgment and decree inasmuch as rates of interest have now considerably fallen and therefore this Court should reduce the high rate of interest granted at 12% per annum.

4. Limited to the aforesaid aspect, let notice be issued to the respondent, on filing of process fee, both in the ordinary method as well as by registered post AD, returnable on 16th October, 2018.

5. In the meanwhile, the impugned judgment and decree, if sought to be executed by the respondent/plaintiff, the execution will be with respect to the decreed amount but with interest not at 12% per annum but at 7½% per annum simple.

Dasti.”

2. No one appears for the respondent today although respondent appeared in person on the last date of hearing.

3. It has been held by the Supreme Court in various judgments that in view of the fall in the interest regime Courts must not grant high rate of interest. The judgments of the Supreme Court in this regard are ***Rajendra Construction Co. v. Maharashtra Housing & Area Development Authority and others*, 2005 (6) SCC 678, *McDermott International Inc. v. Burn Standard Co. Ltd. and others*, 2006 (11) SCC 181, *Rajasthan State Road Transport Corporation v. Indag Rubber Ltd.*, (2006) 7 SCC 700, *Krishna Bhagya Jala Nigam Ltd. v. G.Harischandra*, 2007 (2) SCC 720 & *State of Rajasthan Vs. Ferro Concrete Construction Pvt. Ltd* (2009) 3 Arb. LR 140 (SC).**

4. Accordingly, the present appeal is allowed by sustaining the impugned judgment but reducing the rate of interest granted by the impugned judgment from 12% per annum to 7½ % per annum simple. Appellants, however, are granted time of three months from today to

make payment of the decretal amount in terms of the present order.

5. The appeal and the pending applications are accordingly disposed of in terms of the aforesaid order.

6. *Dasti* to counsel for the appellants.

VALMIKI J. MEHTA, J

NOVEMBER 13, 2018

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