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

+ RFA 742/2017

SARATHI SALES

..... Appellant

Through: Mr. Rakesh Kumar and Ms. Anubha Singh, Advs.

versus

SHAGUN ENTERPRISES

..... Respondent

Through: Ms. Manvi Gola, proxy counsel for Mr. Sanjay Sharma, Advocate.

CORAM:

HON'BLE MR. JUSTICE VALMIKI J. MEHTA

ORDER

% **02.02.2018**

1. There is a limited issue in this case of what should be the rate of interest to be granted to the respondent/plaintiff in terms of the impugned judgment which grants high rate of interest at 18% per annum. Considering this aspect this Court has issued a limited notice in terms of the order dated 20.9.2017 and which reads as under:-

“1. Learned counsel for the appellant does not dispute passing of the decree for a sum of Rs.15,61,576/- but states that interest at the rate of 18% per annum is exorbitant and appellant/plaintiff should be granted interest at around 9% per annum only in view of the ratios of the recent judgments of the Supreme Court which held that in view of consistent fall in the interest rate only lower rate of interest should be granted. The judgments of the Supreme Court in this regard are titled as ***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).

2. Limited to the aspect of interest, let notice be issued in this appeal to the respondent on filing of process fee, both in the ordinary method as well as by registered AD post, returnable on 2nd February, 2018. Dasti.

2. In my opinion, the rate of interest granted by the trial court by the impugned judgment at 18% per annum, in today's time is exorbitant especially in view of the ratios of the judgments of the Supreme Court as noted in the order dated 20.9.2017.

3. This appeal is therefore allowed by sustaining the impugned judgment and decree but reducing the rate of interest granted in terms of the impugned judgment from 18% per annum simple to 9% per annum simple.

4. The appeal is accordingly allowed to the limited aspect as stated above leaving the parties to bear their own costs.

VALMIKI J. MEHTA, J

FEBRUARY 02, 2018

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