

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

FIRST APPEAL NO. 1087 OF 1997

Union of India, represented by The General Manager of Central Railways, Mumbai C.S.T. v/s. Messrs. Saraswati Trading Company, Mumbai – 400009	 Appellant Respondent
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Mr. T.J. Pandian for the Appellant (UoI).

CORAM: SMT. ANUJA PRABHUDESSAI, J.

DATED : 17th NOVEMBER, 2022.

P. C. :-

1. Mr. Pandian, learned counsel for the Appellant states that he is restricting the challenge only to the rate of interest. He submits that the Railway Claims Tribunal has awarded interest at the rate of 12% per annum with effect from the date of application till the date of payment. Relying upon the decision of this Court in ***Union of India v/s. State Trading Corporation Ltd. 2007(3) Mh.L.J. 609***, he seeks reduction of rate of interest at 6% per annum.

2. In State Trading Corporation (supra), after considering the previous decision in ***Maharashtra State Electricity Board v/s. Union of India 2005(1) Mah.L.J. 165***, this Court had reduced the rate of interest

from 9% to 6% per annum to be paid from the date of filing of the Claim Application. The said judgment pertains to the claim of the year 1990, whereas the claim in the present matter is of the year 1996. In order to maintain uniformity, the rate of interest in the present case is also reduced to 6%.

3. Hence, the Appeal is partly allowed. Interest rate is reduced from 12% to 6% per annum, to be paid from the date of filing of the Claim Application.

4. Respondent is permitted to withdraw the compensation along with interest @ 6% per annum from the date of Claim Application.

5. The balance amount be refunded to the Appellant.

6. Appeal stands disposed of. Decree may be drawn accordingly.

**PREETI
H JAYANI**

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(SMT. ANUJA PRABHUDESSAI, J.)