

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

FIRST APPEAL NO. 1133 OF 1996

Union of India,
represented by General Manager
of Central Railways, CST

..Appellant

v/s.

Maharashtra Small Scale Industries
Development Corporation Ltd.

..Respondents

Mr. T.J. Pandian for the Appellant/Applicant.
None for the Respondent.

**CORAM : SMT. ANUJA PRABHUDESSAI, J.
DATED : 17th OCTOBER, 2019.**

ORAL JUDGMENT.

1. The appellant herein has challenged the impugned judgment and order dated 12.4.1996 whereby the Railway Claims Tribunal has directed to pay compensation of Rs.75,762/- with proportionate costs and interest @ 12% per anum on the sum of Rs.60,610/- w.e.f. the date of filing of application, till actual payment.

2. The respondent Government Undertaking of Maharashtra had claimed compensation of Rs.86,000/- from the Central Railway Administration for non delivery of consignment covered

under RR No. 643516 dated 12.2.1992. Under the said receipt 19.900 M.Tonnes of BPH Coke was booked at Bhojodih to Pune . The said consignment was loaded in wagon no. SC 13887. It was the case of the respondent that the railway authorities had failed to deliver the said consignment. The respondents claimed that non-delivery was due to the negligence on the part of the railway authorities. Statutory notice under Section 106 of the Railways Act, 1989, was issued. Refusal to settle the claim led to filing the claim application.

3. The appellant admitted the booking particulars, but had disputed that non-delivery was on account of its negligence. The Railway Claims Tribunal accepted the claim of non-delivery and assessed damages to the tune of Rs.60610/-. The Railway Tribunal directed the appellant to pay to the respondent a sum of Rs.75,762/- with proportionate cost and interest @12% p.a. on the sum of Rs.60,610/- w.e.f. the date of filing this application I.e.17.8.1994 till the date of payment.

4. The appellants do not dispute its liability of paying the compensation of Rs.60610/-. The challenge is restricted only to the payment of interest of Rs.15152/- which is computed from the

date of notice till the date of application.

5. It is not in dispute that there was no contract between the appellant and the respondent, either express or implied, which provided for charging any interest for breach of contract. Since there is no stipulation which authorizes the respondent to charge interest on the quantified amount of damages, the respondent was not entitled for such interest on damages. Reliance is placed on the case of Union of India vs. Watkins Mayore & Company AIR 1966 SC 275. The respondents are entitled for interest only from the date of application, which has already been granted. Hence, the order to the extent of granting interest of Rs.15152/- for the period from the date of notice till the date of application is liable to be set aside.

6. The appeal is partly allowed. The impugned judgment to the extent of directing the appellant to pay interest of Rs.15152/- is hereby set aside.

7. An amount of Rs.15,152/-, with proportionate interest accrued thereon be refunded to the appellant.

Prasanna
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Salgaonkar
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Prasanna P.
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(ANUJA PRABHUDESSAI, J.)