
(2010) 09 P&H CK 0111
In the Punjab And Haryana At Chandigarh
Case No : F.A.O. No. 428 of 1991

Grasim Industries Ltd. and Another	Vs	APPELLANT
Union of India (UOI) and Another		RESPONDENT

Date of Decision : 21-09-2010

Acts Referred:

Limitation Act, 1963 — Section 14

Citation : AIR 2011 P&H 32 : (2010) 4 CivCC 512

Hon'ble Judges : Rakesh Kumar Jain, J

Bench : Single Bench

Final Decision : Dismissed

Judgement

Rakesh Kumar Jain, J.—The short point involved in this appeal is as to "whether interest for the period before the filing of suit for amount of damages decreed could be awarded?"

2. Brief facts of the case are that the Appellants had booked one consignment of 35 boxes of steam coal containing 2121.5 MT from Ray Bachara Siding under RR 633260 dated 23-6-1986 for Bhiwani Junction from the Central Coal Fields. The consignment, however, was delivered short by 6 boxes and 27.8 MT was short in one other box. Thus, there was total shortage of 378.1 MT of steam coal. The Railway Administration issued the shortage certificate, yet it charged full freight for box No. NR 82681, weighed 57.8 MT, but delivered it short by 26.3 MT. The Railway Administration had charged Rs. 6910 as excess freight, whereas the value of short delivered steam coal was Rs. 1,46,555. The Appellants had claimed Rs. 82,359 on account of interest @ 18% per annum on the price of goods delivered short for the period from 13-9-1986 to 15-6-1989. The Railway Administration, despite several opportunities, did not lead any evidence. Ultimately, they were proceeded against ex parte. The Railway Claims Tribunal, Chandigarh Bench (for short "Tribunal"), after considering evidence produced by the Appellants, held them entitled to a sum of Rs. 1,45,973.49 towards costs of steam coal along with Rs. 6.910 as compensation. A total amount of Rs.

1,52,883.49 along with 12% per annum as interest pendente lite upto the date of payment was awarded, but claim of the Appellants for interest @ 18% per annum for the period 13-9-1986 to 15-6-1989 was declined on the ground that the Appellants had waited three years to bring action for compensation in the Court, therefore, they themselves were to be blamed.

3. Aggrieved against the impugned order dated 7-12-1990 passed by the learned Tribunal, present appeal has been preferred, in which a total sum of Rs. 2,36,283 with costs was prayed for which included the amount of interest calculated @ 18% for the period from 13-9-1986 to 15-6-1989.

4. Shri C. B. Goel, learned Counsel appearing on behalf of the Appellants, has vehemently argued that even if the claim has been preferred late by the Appellants, it would not disentitle the Appellants from claiming interest of the period prior to filing of the suit. On the other hand, learned Counsel for the Respondents, has submitted that the Appellant cannot be allowed interest of the period before the filing of the suit on the amount of damages granted by the Tribunal and has relied upon a decision of the Supreme Court in the case of Union of India (UOI) Vs. West Punjab Factories Ltd., .

5. I have heard learned Counsel for the parties and have perused the record with their able assistance.

6. In the case of The Union of India (supra), the Supreme Court has held that "in the absence of any usage or contract, express or implied, or of any provision of law to justify the award of interest, it is not possible to award interest by way of damages. Also see recent decision of this Court in Union of India v. Watkins Mayor and Co. Civil Appeals Nos. 43 and 44 of 1963, dated 10-3-1955 (reported in Union of India (UOI) Vs. Watkins Mayor and Co., . In view of these decisions no interest could be awarded for the period upto the date of the suit and the decretal amount in the two suits will have to be reduced by the amount of such interest awarded."

7. In view of the aforesaid judgment of the Supreme Court, no interest for the period to the filing of suit on the damages decreed could be awarded by the Court until and unless it is established that there was any usage, contract or any provision of law by which the contract of the parties was governed. Learned Counsel for the Appellants has miserably failed to prove on record any usage, contract or any provision of law on the basis of which the Appellants could demand interest for the period prior to the institution of the suit.

8. Thus, in view of above discussion, I do not find any merit in the present appeal and as such, the same is hereby dismissed.

9. No costs.