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CASE COMMENT: JUGGILAL KAMLAPAT OIL MILLS v. UNION OF INDIA (UoI) AND ORS.

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BEST CITATION – ANSHIKA GUPTA, CASE COMMENT: JUGGILAL KAMLAPAT OIL MILLS v. UNION OF INDIA (UoI) AND ORS, *INDIAN JOURNAL OF LEGAL REVIEW (IJLR)*, 4 (2) OF 2024, PG. 128-130, APIS – 3920 – 0001 & ISSN – 2583-2344.

Facts

There is no question that the shipment was delivered to the specific Calcutta station on 4.9.1949 and that the Railway personnel officially received it. On September 6, 1949, however, the appellant sent a letter to the Kanpur railway officials requesting that the package be redirected and delivered to the appellant in Kanpur. However, the railway officials in Kanpur requested that the appellant accept delivery of the shipment in Calcutta. On June 9, 1949, delivery was not possible in Calcutta because the oil was seized by the Food Inspector of Calcutta, acting on a directive from the Calcutta Corporation's Health Officer, in accordance with Section 419 of the Calcutta Municipal Act. Two mustard oil samples from the tank were removed on September 17, 1949, at the request of the Municipal Magistrate, who heard the case. The samples were then transferred to the Public Analyst for examination. On September 20, 1949, The Public Analyst revealed that the samples had been tampered with. The Magistrate was therefore forced to choose whether or not to provide the Corporation's requested orders for the oil to be destroyed. Following the appellant's hearing, he issued an order dismissing the prayer calling for the oil to be destroyed and clearing the appellant. The Corporation petitioned the High Court of Calcutta with a revision against the ruling that denied its request to destroy the oil. The Court directed the destruction of the oil on the basis of the report of Public Analyst.

Legal Issue

In this appeal, by certificate, the question for consideration to whether the respondents were liable to the appellant in damages for non-delivery of mustard oil consigned by the appellant to the employees of Eastern Railway at Kanpur Central Station on 29.8.1949 for carriage and delivery to the appellant at Sabeel Bazar Jagannath Ghat Railway Station, Calcutta.; The case revolves around the Section 73²²⁴ (Compensation for loss or damage caused by Breach of contract), Section 151²²⁵ (Care to be taken by Bailee) and Section 152²²⁶ (Bailee when not liable for loss).

Argument advanced

Petitioner's argument

Mr. Goel, on behalf of the appellant, however, contended on the strength of certain observations in Corpus Juris Secundum that a notice ought to have been given by the Railway authorities to the appellant about the seizure of the tank wagon on 6.9.1949 or within a reasonable time and that the failure to do so would make the Railway Administration liable in damages.

Respondents' argument

In Exhibit 11—the notice given under Section 80²²⁷ of the Civil Procedure Code, it was stated that since the tank wagon was not returned to Kanpur according to the direction of the appellant and the goods delivered to the

²²⁴ The Indian Contract Act, 1872 § 73, No. 9.

²²⁵ The Indian Contract Act, 1872 § 151, No. 9.

²²⁶ The Indian Contract Act, 1872 § 152, No. 9.

²²⁷ The Code of Civil Procedure 1908, s. 80

appellant there, the respondents were liable in damages. On reading Petitioner's, it would seem that the main grievance of the appellant was that the respondents failed to return the tank wagon to Kanpur as requested by it and give delivery of the oil at Kanpur. In that notice, the appellant did not complain about the non-delivery of the oil at Calcutta or about tampering with the padlocks by the Railway authorities.

Decision

One of the appellant's arguments before us was that the Railway authorities should have delivered the oil to the appellant at Kanpur after transporting the tank wagon with the mustard oil there at its request. Based on the regulation that was in effect at the relevant time and was comparable to regulation 48 of the General Rules made under the Indian Railways Act, the High Court rejected this argument. That rule required the consignor to apply to the station master of the location where the consignment was housed for re-consignment. Admittedly, on 6.9.1949, the appellant asked only the Goods Inspector in Kanpur to return the wagon to Kanpur. The tank wagon had arrived in Calcutta by now. Therefore, the appellant should have submitted an application for reconsignment to the Calcutta station master. In accordance with the regulation, the application for reconsignment must also be sent with the original Railway Receipt. Nothing in the evidence suggests that the appellant sent the original Railway Receipt with the application. The High Court erred when it concluded that the Railway administration was not required to order the tank wagon to be returned from Calcutta to Kanpur and to be delivered to the appellant there. Aside from that, the wagon was confiscated on September 6, 1949, per the directions of the appropriate authority under the Calcutta Municipal Act. This in itself would be a sufficient answer for the failure to comply with the appellant's request.

Therefore, the Railway would be responsible for paying damages if the loss, destruction, or

damage resulted from the negligence of the Railway Administration or one of its employees. The next concern is whether the Railway Administration's actions contributed to the oil's loss or destruction.

There was no train mishap, fire, or other event beyond of the railroad's control that resulted in the non-delivery of the oil. As previously mentioned, the locks that the appellant had placed on the tank wagon and the railway seal were discovered to be still in place when it arrived in Calcutta. As a result, nothing happened to the items when they were being transported from Kanpur to Calcutta. Because the tank wagon was seized by a competent authority and its contents were destroyed per the High Court of Calcutta's orders, the Railway Administration was unable to deliver the shipment in Calcutta. The presumption rule regarding misconduct is outlined in the risk note. Since the respondents have demonstrated that the mustard oil wagon arrived in Calcutta without incident, there is no basis for assuming that the Railway Administration or any of its employees engaged in wrongdoing. As a result, the respondent is not subject to liability under Exhibit A.

The respondent cannot be held accountable for the consignment's non-delivery even under general law. The Health Officer of the Calcutta Corporation had suspicions that the oil was tampered with, thus the Food Inspector in Calcutta. The High Court ordered the oil tank truck to be destroyed in the appellant's actions before the Magistrate and High Court. The respondents contended that the appellant was informed of the seizure on 6.9.1949 and was anticipated to provide the oil upon its arrival in Calcutta, hence the appellant was not disadvantaged by the omission to provide notice. Neither the trial court nor the High Court heard the appellant's argument that the Railway authorities ought to have provided notice and that their failure to do so prejudiced him. Because this is a mixed factual and legal concern, the appellant is not permitted to enter a new plea in this case.

We dismiss the appeal but without costs.

Precedent Analysis

The Indian Contract Act's Section 151 outlines a bailee's responsibilities. According to the clause, a bailee must treat the things that have been failed to him with the same care that a man of ordinary caution would under the same circumstances treat his own goods of like quantity, quality, and worth. According to Section 152 of the Act, if the bailee has given the thing the level of care specified in Section 151, he is not liable for its loss, destruction, or degradation absent a particular contract. When the subject matter of the bailment was seized from him by legal authority utilized in the course of regular and lawful processes, the bailee is released from returning the subject matter to the bailor or his agent.

Analysis

A bailee is liable for the loss due to non-return or non-delivery of goods if that is due to his fault. A bailee is excused from returning the subject-matter of the bailment to the bailor or his agent where the subject-matter was taken away from him by the authority of law exercised through regular and valid proceedings. Section 161²²⁸ states that the bailee is liable for the loss of the goods "if by the default the bailee, the goods are not returned, or delivered or tendered at the proper time," as was said in the aforementioned case. If the bailee is not at fault or if the bailor's default causes the items to be lost, the bailee cannot be held accountable. There are other cases in which the same was held, for example, In *Union of India v. H.S.S. Karkhana Ltd.*²²⁹, the Railway was held accountable for the loss of the goods when it delivered the goods to an unauthorized person without obtaining the original Railway receipt (but not the Indemnity Bond). The Railway was specifically instructed not to deliver the goods consigned with them without producing the original Railway receipt. The Railway was

instructed to make up any losses incurred by the consignor-claimant.

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- *Union of India v. Halasidhanth Sahakari Sakhar Karkhana Ltd.*, 2010 SCC OnLine Gau 459

²²⁸ The Indian Contract Act, 1872 § 161, No. 9.

²²⁹ *Union of India v. Halasidhanth Sahakari Sakhar Karkhana Ltd.*, 2010 SCC OnLine Gau 459