

COURT MATTER

भारत सरकार
रेल मंत्रालय
रेलवे बोर्ड

No.TC-1/2023/109/1/Court Case

New Delhi, dt. 27.06.2025

प्रमुख मुख्य वाणिज्य प्रबंधक
पूर्वोत्तर सीमांत रेलवे

Sub: Civil Appeal No. 7026 of 2025

Ref: Board's letter of even number dt. 09.02.2024

Please find enclosed herewith a copy of letter dated 19.06.2025 from Assistant Registrar, Supreme Court of India, enclosing certified copy of signed order dated 20th May 2025 in the above mentioned appeal, for necessary action as deemed fit.

DA: as above



(अतुल कुमार)

संयुक्त निदेशक (दर) I

रेलवे बोर्ड

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D. No. 4973/2018 /SEC-XIV-A
SUPREME COURT OF INDIA
NEW DELHI
19th June, 2025

From:

The Assistant Registrar,
Supreme Court of India, New Delhi.

To,

1 UNION OF INDIA REPRESENTED
BY THE SECRETARY MINISTRY OF
RAILWAYS,,
SECRETARY RAILWAY BOARD, RAILWAY
BHAWAN,,
DISTRICT- , DELHI

PID: 151514/2025 FOR P[1] IN C.A.
NO.7026/2025 (SEC XIV-A)

2 THE GENERAL MANAGER,

NORTH EASTERN FRONTIER RAILWAYS,,
MALIGAON,,
DISTRICT- GUWAHATI, ASSAM

PID: 151515/2025 FOR P[2] IN C.A.
NO.7026/2025 (SEC XIV-A)

CIVIL APPEAL No. 7026 OF 2025

(Petition under Article 136 of the Constitution of India from the judgement and Order dated **10th August, 2017** of the **Gauhati High Court**, , ASSAM in **WA No. 333 of 2010**)

UNION OF INDIA AND OTHERS

... Petitioner(s)/Appellant(s)

VERSUS

MEGHA TECHNICAL AND
ENGINEERS PVT. LTD.

... Respondent(s)

Sir,

In pursuance of Order XII Rule 6, S.C.R. 2013, I am directed to transmit herewith certified copy of Signed Order dated **20th May, 2025** in the appeal above mentioned. The certified copy of the decree made in the said appeal will be sent later on .

Please acknowledge receipt.

Yours faithfully,

[Signature] 20/6/25
ASSISTANT REGISTRAR

Copy to :-

1 Mr. Sudarshan Lamba (adv.)

central Agency Section, Department Of Legal Affairs, Ministry Of Law And Justice, Supreme
Court Compound, New Delhi
New Delhi , Delhi

2 Mr. Amrish Kumar (adv.)

ch.no.76, Central Agency Section, Supreme Court Compound, New Delhi-01
New Delhi , Delhi

3 Mr. Kaushik Choudhury (adv.)

b-6 , Sagar Apartment, Tilak Marg, New Delhi
New Delhi , Delhi

*Pertains to Rates
etc.*

JD/Rates-I.

[Signature]

ASSISTANT REGISTRAR

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL No. 7026 OF 2025
(Arising out of SLP(C) No. 8024 of 2018)

UNION OF INDIA & ORS.

... APPELLANTS

Versus

MEGHA TECHNICAL AND ENGINEERS PVT. LTD.

... RESPONDENT

O R D E R

Copy to be true copy
Principal Registrar (Civil)
20/6/2025
2025
Supreme Court of India

1. Leave granted.
 2. The Union of India through the Ministry of Railways, including the North Eastern Frontier Railways and its authorities, are aggrieved by the judgment dated 10.08.2017, rendered by a Full Bench of the Gauhati High Court. Through the Impugned Judgement, the High Court laid down that an opportunity of hearing ought to be given before imposing penalty on account of excess weight being detected in a consignment.
 3. The instant controversy arose on 22.08.2010, when the respondent booked a rake consignment of dry fly ash with the appellant-Railways at Dhuliaganga Railway Station (Eastern Railways). The consignment was re-weighed and on finding that there
- excess weight, a Demand Notice for Rs.10,61,250/- was issued as a penal freight for excess weightage and Rs.43,500/- as demurrage. Seeking to quash the demand notices and to obtain a stay on the

same, the aggrieved respondent filed Writ Petition (C) No. 4913/2010 before the High Court. The High Court called upon the appellant to explain why the demand notices ought not to be quashed. However, the High Court did not grant interim stay to the demand notices. Aggrieved by the non-grant of interim order, the respondent filed Writ Appeal No.333/2010 to set aside the same and issue necessary directions to restrain the appellant from invoking the corresponding bank guarantees.

4. The Division Bench of the High Court in Writ Appeal No.333/2010 passed an order, admitting the appeal and referring the matter to a larger Bench to adjudicate on the issue of interim relief. Additionally, all further proceedings in WP(C) No.4913/2010 were stayed. However, when the case came up for hearing before a Full Bench on 02.02.2012, a statement was made on behalf of the appellant-Railways that they have no objection in evolving a procedure giving a hearing before the recovery of penalty. This followed an order by a Division Bench of the High Court declaring that the appeal had become infructuous as the bank guarantee had already been encashed. That order came to be challenged before this Court by the appellant-Railways in SLP(C) Nos.8439-8440/2015. This Court remanded the case to the High Court for proper adjudication. Thereafter, as noticed at the outset, the matter was heard by a Full Bench of the High Court and vide impugned judgment dated 10.08.2017, laying down that an opportunity of being heard is mandatory before the penalty can be levied.

5. During the course of hearing, it is pointed out by learned counsel for the respondent that the impugned judgment was complied

with by the appellant-Railways and a show-cause notice was issued to the respondent. On consideration of the reply, the appellant-Railways passed a fresh penalty order which was unsuccessfully challenged by the respondent. The penalty amount, which was earlier deposited, has thus been appropriated by the Railways.

6. In a way, the subsequent events rendered these proceedings infructuous and academic. However, learned counsel for the appellant-Railways submits that there are conflicting views taken by the High Courts on the issue as to whether in a case of excess weightage, the Railway is obligated to issue a show-cause notice before levying the penal freight for such excess weightage.

7. Learned counsel for the appellant-Railways also cites a decision of this Court in Jagjit Cotton Textile Mills vs. Chief Commercial Superintendent, N.R. and others, (1998) 5 SCC 126, especially question No.5 and the answer thereto in para 42 of the above-cited decision.

8. On the other hand, learned counsel for the respondent refers to para 43 of the cited judgment to say that the issue which came up for consideration before the Full Bench of the High Court directly and substantially, was not the subject matter of consideration before this Court in Jagjit Cotton Textile Mills' case (supra).

9. We have considered the rival submissions and carefully perused the material placed on record.

10. It seems to us that the principles evolved by this Court through paragraph 42 of the cited decision broadly address the issue of a challenge to the demand for penal freight for excess

weightage. This Court has held that such demand cannot be termed as violation of Article 14 of the Constitution.

11. In the very nature of things, on raising such a demand when excess weightage has been detected at the time of off-loading, it would be practically difficult, if not impossible, for the appellant-Railways to issue a show-cause notice to the consignor or consignee and to hold a mini-trial to determine the question of excess weightage and consequential levy of compensatory charges.

12. Nevertheless, the appellant-Railways needs to update and upgrade themselves with the advancement of technology. There is no gainsay that a mechanism like automatic videography of the loaded weight along with the weight measurement at the time of off-loading, can save the parties from easily avoidable litigation. In the event any consignor or consignee disputes the liability towards charges for excess weightage, such electronically-collected proof can be supplied to redress the grievances. We are quite sure that, by now, the Railways must have introduced some effective scientific method to meet with such challenges.

13. However, what we have observed above is only on an illustrative basis and to sensitize the Railways. We hope and trust that with a view to incentivize its consumers and customers, the Railways will continue to upgrade regularly.

14. As the science has gone far ahead and given the passage of time, we find that the impugned judgement is now obsolete and redundant. The same is, accordingly, set aside.

15. The appeal is disposed of in light of the observations made hereinabove.

16. If an aggrieved person is still dissatisfied, this Court has, in the cited decision, permitted them to approach the Railway Rates Tribunal. This alternative efficacious remedy is always available to such person.

17. As a result, the pending interlocutory application also stands disposed of.

.....sdv.....J.
(SURYA KANT)

.....sdv.....J.
(NONGMEIKAPAM KOTISWAR SINGH)

NEW DELHI;
MAY 20, 2025.