



THE GAUHATI HIGH COURT AT GUWAHATI
(The High Court of Assam, Nagaland, Mizoram and Arunachal Pradesh)
PRINCIPAL SEAT AT GUWAHATI

RFA No. 18/2016

1. Union of India,
Represented by the Secretary to the Govt. of India,
Department of Railways, New Delhi.
2. The General Manager,
N.F. Railway, Maligaon,
Guwahati-781011, Dist.-Kamrup(M), Assam.
3. The Divisional Railway Manager,
N.F. Railway, Tinsukia, PO-Tinsukia,
Dist.-Tinsukia, Assam.
4. The Senior Divisional Engineer (Works),
N.F. Railway, Tinsukia, PO & Dist.-Tinsukia,
Assam.
5. The Executive Director, Civil Engineer (G),
(Railway Board), New Delhi.
6. The Chief Engineer,
N.F. Railway, Dibrugarh at Tinsukia,
PO-Tinsukia.
7. The Divisional Engineer,
N.F. Railway, Tinsukia,
Dist.-Tinsukia, Assam.

.....*Appellants.*

-Versus-

Shri Inamul Rashid Hazarika,
S/o Late Abdul Rashid Hazarika,
B.C. Das Road, Near Railway Station,
PO & PS-Dibrugarh, Dist.-Dibrugarh, Assam.

.....*Respondent.*

**BEFORE
HON'BLE MR. JUSTICE ROBIN PHUKAN**

For the Appellants : Mr. B. Sarma.Advocate.

For the Respondent : Mr. U.C. Rabha,
Mr. A. Sahad.Advocates.

Dates of Hearing : 19.09.2024 & 26.09.2024

Date of Judgment : 13.11.2024

JUDGMENT AND ORDER

Heard Mr. B. Sarma, learned counsel for the appellants and also heard Mr. U.C. Rabha, learned counsel for the sole respondent.

2. This regular first appeal, under Section 96, read with Section 151 of the Code of Civil Procedure, is directed against the judgment and decree, dated 27.04.2015, passed by the learned Additional District Judge, Dibrugarh, in Title Suit No.17/2003 [Title Suit No.22/2013(new)]. It is to be noted here that vide impugned judgment and decree, dated 27.04.2015, the learned Additional District Judge, Dibrugarh (hereinafter referred to as the "Trial Court") has decreed the suit filed by the respondent herein for recovery of a sum of Rs.51,34,336/- including the interest and security deposit.

3. The back ground facts leading to filing of the present appeal is briefly stated as under:-

"The appellants/defendants herein had invited tenders from time to time from the office of the Divisional Engineer, Dibrugarh for executing certain works in the Railway Departments. The respondent/plaintiff herein had participated in the aforesaid tender process and after scrutinizing the tenders, certain works were allotted to him on different dates for execution. Thereafter, formal contract agreements were signed on various dates viz. 24.02.1987, 10.11.1987, 14.12.1988, 27.06.1989, 14.09.1990, 12.08.1991, 13.03.1992, 24.07.1992 and 07.07.1993, by the appellants and the respondent herein. Thereafter, complying with the terms of the tender document, the respondent has deposited security money and started the works at the specified sites, indicated by the appellants/defendants. While executing the works, allotted to the respondent/plaintiff, he had also received provisional payments against ad-interim bills for meeting the running expenses.

Thereafter, on completion of the aforesaid tender works, the respondent herein and the appellants jointly made inspection from time to time and recorded the same in the measurement book through its competent staffs. The respondent had given all the necessary particulars of the works i.e. the name of work allotted, the value of the works, the amount of payment received, the balance receivable and also number of the measurement books in which all the measurements were recorded in a separate sheet. Thereafter, the respondent herein submitted nine sets of documents each containing contract works agreement, details of zonal works, statement of account regarding works done by him and the respective bill amount and the provisional payment received against each zonal work and marked those documents as

document Nos.1 to 9. Thereafter, the appellants herein after taking measurements, issued completion certificates to the respondent in respect of the works done by him and he was waiting to receive the balance payments against each work done by him and he has submitted two completion certificates issued by the Divisional Engineer, N.F. Railway, Dibrugarh. The total amount he has to receive from the appellants herein is Rs.51,34,336/- only. Thereafter, he had made several requests to the appellants herein to release the said amount, but the appellants have withheld the same illegally and wrongfully. Thereafter, he along with one Sajjad Mannan had filed one writ petition before this Court against the appellants herein for settlement of the bills in respect of completion of the works allotted to him. Thereafter, vide order dated 09.09.1999, this Court has directed the respondent/petitioner to prefer his claim along with copies of the writ petition, rejoinder and other documents including copy of the order in support of the claim before the appellants herein, directing the appellants to allow reasonable opportunity to the respondent/petitioner to place his claim in person during the course of examination if necessary.

Thereafter, the respondent herein along with Sajjad Mannan filed a representation mentioning particulars of work orders, tender value of such work, value/bill, payment receipt, balance payable and also particulars of measurement books of the works done and thereafter, the respondent herein received one letter No.W/44/1@-1 dated 08.12.1999, issued by the defendant No.5 to the Deputy CVO (E), Maligaon, N.F. Railway, asking him to send all the cases in question to dispose of the same in compliance of the order of this Court. Thereafter, on 15.12.1999, the respondent has received

a letter from the appellant/defendant No.5, informing him that the scrutiny of the respondent's demand was going on. Thereafter, the respondent and Sajjad Mannan were directed to attend the chamber of the appellant/defendant No.5 to discuss the issue on 12.01.2000 at 10 a.m. Accordingly, the respondent herein along with Sajjad Mannan went to meet defendant No.5, but no discussion could be held and he was informed that the payment could not be made. Thereafter, the respondent herein had received one show-cause notice as to why action should not be taken against him within 20.02.2001, wherein it is stated that malpractice and irregularities in respect of three work orders, namely, (i) DBRT/2113 dated 10.11.1987, (ii) DBRT/2333 dated 27.06.1989 and (iii) DBRT/2023, dated 24.02.1987, and the respondent herein filed his reply denying the allegations made therein and thereafter, instead of affording any opportunity of being heard, vide ex-parte order dated 10.09.2001, he and his sister concerns were banned from all business dealings for five years. Thereafter, he had sent one notice under Section 80 CPC through his lawyer claiming refund of a sum of Rs.14,87,000/-, and subsequently amended notice for a sum of Rs.18,25,196/- which was duly received by the appellants herein, but they failed to respond to the same. Therefore, he has instituted the suit for recovery of a sum of Rs.51,34,336/- including the interest and security deposit, from 1987 till the date of filing the above.

The appellants herein received summons in the said suit and filed written statement stating that the suit is liable to be dismissed on the point of jurisdiction as the contract works were performed in the district of Tinsukia and that the suit is barred by the law of

limitation and it is also bad in law for being filed with mala-fide intention for wrongful gain on public money and that the suit is barred under Section 5 of the Arbitration and Conciliation Act, 1996 as there was an arbitration clause. It is also stated that as per General Conditions of Contract, 1979, Clause 63(1) clearly stated that in the event of any dispute or difference between the parties that could not be settled between the parties as to the construction and operation of contract, the matter may be settled through arbitration and that the performance of the respondent was found unsatisfactory and for the same, notice was issued to him as per Clause 62 of the General Conditions of Contract, 1979 and that he was given the reasonable opportunity of being heard pursuant to the order of this Court and the direction has been complied with diligently and no notice under Section 80 CPC was received and that in the initial notice received by it, the claim was made for Rs.14,87,000/-, but in the subsequent notice, the claim was enhanced to Rs.18,25,196/- contending that there was a bona-fide mistake and that the claim amount is wrongly calculated as Rs.51,34,336/-, which is unjust, unreasonable and highly inflated and the suit is instituted after a long gap of almost 8 years and on such count also, the same is liable to be dismissed and the rate of interest i.e. 18% is exorbitant and far from permissible limit as laid down in Section 34 of the CPC and the rate of interest is not maintainable and therefore, it is contended to dismiss the same.”

4. Upon the pleadings of the parties, the learned Trial Court has framed following issues:-

- (i) Whether there is cause of action for the suit?
- (ii) Whether the suit is maintainable in law and facts?
- (iii) Whether the plaintiff is entitled to get decree as prayed for in the plaint?
- (iv) To what relief/reliefs the parties are entitled to?

5. It is to be noted here that the appellants herein, though had filed written statement, had failed to adduce any evidence. Thereafter, considering the evidence of the respondent herein and the documents exhibited by him, the learned trial court had decreed the suit for recovery of Rs.51,34,336/- from the appellants herein along with interest @6% per annum from the date of filing of the suit.

6. Being highly aggrieved, the appellants preferred the present appeal for setting aside the judgment and decree on the following grounds:-

- (i) The learned Trial Court ought to have considered that the suit is not maintainable in law and facts as plain reading of the plaint becomes crystal clear that the instant suit ought to have been preferred at Tinsukia and not Dibrugarh since the entire contract works state to be entered and allegedly performed in district Tinsukia;
- (ii) The plaintiff's claim is hit by the statute of limitation which is barred as it is evident that the cause of action for suit arose on and from 20.12.1985, 28.12.1986, when the plaintiff and the defendants executed contract agreement for time to time, on 23.10.1992, 10.02.1992 when the plaintiff received provisional payment of bills.

The completion of the contract and the certificate issued thereof on 02.08.1995 stood barred on 02.05.2003, the date of filing the suit;

- (iii) The plaintiff has suppressed material facts and instituted the suit with mala-fide intention for illegal gain with wrongful bargain and that there was an arbitration clause in the agreement and that the jurisdiction of the Civil Court is barred under Section 5 of the Arbitration and Conciliation Act, 1996 and the same had not been considered;
- (iv) The learned Trial Court ought to have considered that as per the existing General Condition of Contract, 1979 Edition (Regulation for Tenders Contracts), Clause 63(1) clearly states that in the event of any dispute or differences before the parties that could not be settled between the parties, the matter may be settled through arbitration. Hence, the suit is barred under Section 5 of the Arbitration and Conciliation Act, 1996. The suit is also not maintainable since it cannot be settled in Law courts departing from the arbitration clause laid down in the contract (General Conditions of Contract, 1979) in accordance with Section 7, sub-section 5 of the Arbitration and Conciliation Act, 1996, and the learned trial court had not considered the same;
- (v) The learned Trial Court had not considered the fact that the performance of the plaintiff in some of the allotted contract works was found unsatisfactory, and as such some contract works were terminated by the Railway Administration and payment of the completed works were stopped and though nine number of Agreement of works executed between the plaintiff and the Railway, the plaintiff failed to complete 2 nos. of contract works i.e.

contract Agreement Nos.DBRT/2582 dated 13.03.1992 and DBRT/2614 dated 24.07.1992, which were subsequently terminated at the risks and costs of the plaintiff and the same was not considered by the plaintiff;

- (vi) The learned Trial Court ought to have considered that no completion certificates were issued by the competent authority as mentioned in the plaint, where Senior Divisional Engineer of Railway is the competent authority to issue such certificate. The fact remains that the plaintiff even after having information and knowledge that he is not entitled to get any payment from the Railway was insisting and is filing the suit for payment of Rs.51,34,336/- which is illegal, arbitrary and mala-fide and the same was not considered by the learned Trial Court;
- (vii) The learned Trial Court ought to have considered that the Railway Board has scrutinized and examined the tender cases in depth with related facts and decided to ban business dealing with the plaintiff. And after detail scrutiny and as per guidelines of the Railway Board, the Railway Board decided to ban all business dealings with the plaintiff and the said fact was not considered in the judgment;
- (viii) The learned court below ought to have appreciated that the discussions were held on 13.01.2000, instead of 12.01.2000, and the minutes of the joint discussions were drawn up but the plaintiff denied to sign the same. In the said meeting, the next date for the discussion was fixed as 24.01.2000. On 24.01.2000 one representative of plaintiff attended the office of the Sr. DN, Tinsukia without any authority to represent on behalf of the plaintiff, due to which discussion could not be held. Thereafter, the

plaintiff never approached the Railway Authority and the said fact was not considered in the impugned judgment;

- (ix) The learned Trial Court ought to have appreciated that the Railway was willing to settle the issue by holding discussion with the plaintiff in respect of his claim and railway's counter claim, but the plaintiff has not co-operated with Railway and preferred not to sign the minutes drawn by Railway after the joint discussion with the plaintiff. The plaintiff is pursuing old and stale claim which is not be construed in law to give a fresh lease of life to the stale claim which already stood barred by the efflux of time;
- (x) The learned trial court ought to have applied its mind that the plaintiff's claim as laid down at different stages with different amounts simply reveals his mala-fide intention. In the notice u/s 80 CPC dated 13.2.2002 drafted by Sri Satybrata Sarma, Advocate the plaintiff laid his total claim at Rs.14,67,000/- with interest up to date. In subsequent amended, notice drafted by Sri Malay Chandra Bagchi, Advocate, the claim amount unreasonably enhanced to Rs.18,25,196/- contending that in the earlier notice "bona-fide mistake" was made in laying the claim of the plaintiff at Rs.14,87,000/-. But, in the corrigendum, the plaintiff's Advocate, Sri Malay Chandra Bagchi is absolutely silent as to how the claim amount was calculated earlier wrongly and also failed to give any idea as to whether the mistake resulted from calculation of the amount or a simple type mistake. Besides, it is also surprising and difficult to accept the logical sequence as to why the claim amount in the plaint was laid down at a Rs.51,34,336/- much higher laid rate i.e. which is apparently unjust, unconditional, unreasonable and highly inflated and such not at all entertainable in view of the

situation and the same was not considered in the impugned judgment;

- (xi) The learned trial court ought to have considered that the suit is not maintainable when the present suit was instituted after a long gap of almost eight years, where also no claim stands recoverable from the Railway by the plaintiff on 13.02.2002 and on the date of filing of the suit. The plaintiff has already taken the stand for a sum of Rs.14,87,000/- and the Railway reply dated 16.05.2000 was duly received by the plaintiff and in spite of that the plaintiff again submitted bill putting his own signature on 13.02.2002 for an amount of Rs.14,87,000/-, which is illegal and arbitrary;

7. Mr. Sarma, learned counsel for the appellants, besides reiterating the grounds mentioned herein above, also submitted synopsis of written argument, wherein he had shown the amounts claimed by the respondent herein as under:-

Sl. No.	Exhibit No.	Actual amount due	Interest on actual amount at 18%	Security deposit due	Security deposit with interest
1.	Exhibit-1, page-55	Rs.51,391/-	Rs.1,05,608/-	Rs.16,749/-	Rs.29,896/-
2.	Exhibit-2, page-25	Rs.90,356/-	Rs.2,06,011/-	Rs.2,592/-	Rs.2,592/-
3.	Exhibit-3, page-38	Rs.37,533/-	Rs.71,538/-	Rs.18,867/-	Rs.33,960/-
4.	Exhibit-4, page-54	Rs.74,636/-	Rs.1,33,225/-	Rs.3,262/-	Rs.5,480/-
5.	Exhibit-5, page-66	Rs.1,12,000/-	1,79,760/-	Rs.19,948/-	Rs.30,221/-
6.	Exhibit-6, page-94	Rs.6,17,768/-	Rs.8,79,318/-	Rs.3,408/-	Rs.5,163/-
7.	Exhibit-7, page-111	Rs.90,000/-	Rs.97,200/-	NIL	NIL
8.	Exhibit-8, page-134	Rs.3,50,000/-	Rs.4,20,000/-	NIL	NIL
9.	Exhibit-9, page-153	Rs.2,00,000/-	Rs.2,49,000/-	NIL	NIL
Total		Rs.16,23,684/-	Rs.23,41,660/-	Rs.64,826/-	Rs.1,07,249/-

7.1. Drawing the attention of this court to the chart prepared by him Mr. Sarma submits that though claim is made for a sum of Rs.51,34,336/-, and the learned trial court had also passed a decree for the same, yet, from the document so exhibited by the respondent/plaintiff, the amount is found to be of Rs.41,37,419/- with 18% interest per annum and if the interest is counted @ 6% per annum, which is awarded by the learned trial court, the amount would be much lesser. The respondent/plaintiff had failed to establish his entitlement of Rs. Rs.51,34,336/-. And on such count, the judgment so passed by the learned trial court is perverse and the decree, so passed is not executable. Mr. Sarma, also submits that before calculating the interest, the principal amount has to be calculated first and only thereafter, the interest has to be added. Mr. Sarma also pointed out that there was an arbitration clause in the General Conditions of Contract, but the same has not been considered. The plea of limitation is also taken but not considered and the issue of jurisdiction has also not been considered by the learned Trial Court and the impugned judgment and decree is not at all sustainable. Mr. Sarma, also submits that the claim so made by the respondent herein was repudiated vide letter No.W/441/W-1 dated 16.05.2000, but, said letter was not exhibited by the appellants, though it was one of his documents and he had not challenged the said letter.

7.2. Mr. Sarma further submits that though the appellants herein had failed to enter into the witness box to establish the statement and averment made in the written statement, yet, the respondent has to establish its case by its own evidence and it cannot rely upon the weakness of the appellants' case. In support of his submission, Mr. Sarma has referred to a decision of Hon'ble Supreme Court in the case of **Anil**

Rishi v. Gurbaksh Singh, reported in (2006) 5 SCC 558, where it has been held as under:-

“8. The initial burden of proof would be on the plaintiff in view of Section 101 of the Evidence Act, which reads as under:

“101. *Burden of proof.*—Whoever desires any court to give judgment as to any legal right or liability dependent on the existence of facts which he asserts, must prove that those facts exist.

When a person is bound to prove the existence of any fact, it is said that the burden of proof lies on that person.”

9. In terms of the said provision, the burden of proving the fact rests on the party who substantially asserts the affirmative issues and not the party who denies it. The said rule may not be universal in its application and there may be an exception thereto. The learned trial court and the High Court proceeded on the basis that the defendant was in a dominating position and there had been a fiduciary relationship between the parties. The appellant in his written statement denied and disputed the said averments made in the plaint.

10. Pleading is not evidence, far less proof. Issues are raised on the basis of the pleadings. The defendant-appellant having not admitted or acknowledged the fiduciary relationship between the

parties, indisputably, the relationship between the parties itself would be an issue. The suit will fail if both the parties do not adduce any evidence, in view of Section 102 of the Evidence Act. Thus, ordinarily, the burden of proof would be on the party who asserts the affirmative of the issue and it rests, after evidence is gone into, upon the party against whom, at the time the question arises, judgment would be given, if no further evidence were to be adduced by either side.”

7.3. Under the aforementioned facts and circumstances, Mr. Sarma has contended to allow the present appeal by setting aside the impugned judgment and decree.

8. Per contra, Mr. Rabha, learned counsel for the sole respondent submits that the respondent herein had submitted a statement of account for claiming the amount and also he had examined two witnesses and exhibited 10 work orders and there were no irregularities in execution of the said works. Mr. Rabha further submits that though the issue of jurisdiction is raised, yet at the relevant point of time, the Office of the Railway Divisional Engineer was situated at Dibrugarh from where the work orders were issued, though the works were executed in the district of Tinsukia and as such, the Court at Dibrugarh has jurisdiction to try the suit. Mr. Rabha also submits that though the arbitration clause was there in the General Conditions of Contract, yet, the appellants herein had made no application for referring the matter for arbitration. Further submission of Mr. Rabha is that the relevant work orders were exhibited as Exhibits-1 to 11 and that the evidence adduced by PW-1 remained unrebutted and he was not effectively cross-examined also and whatever

he stated could not be demolished in his cross-examination and in a civil case the standard of proof is preponderance of probability only, not beyond reasonable doubt. It is also pointed out that the appellants herein failed to enter into the witness box and as such, the contention made in the written statement cannot be taken into account and in view of Section 114(g) of the Indian Evidence Act, presumption is available against the appellants and therefore, Mr. Rabha contended to dismiss the appeal with cost. In support of his submission, Mr. Rabha has referred to a decision of Hon'ble Supreme Court in the case of *Vidhyadhar v. Mankikrao & Anr.*, reported in (1999) 3 SCC 573, wherein it has been held in paragraph No.17 as under:-

“17. Where a party to the suit does not appear in the witness-box and states his own case on oath and does not offer himself to be cross-examined by the other side, a presumption would arise that the case set up by him is not correct as has been held in a series of decisions passed by various High Courts and the Privy Council beginning from the decision in *Sardar Gurbakhsh Singh v. Gurdial Singh* reported in AIR 1927 PC 230: 32 CWN 119. This was followed by the Lahore High Court in *Kirpa Singh v. Ajaipal Singh* [AIR 1930 Lah 1: ILR 11 Lah 142] and the Bombay High Court in *Martand Pandharinath Chaudhari v. Radhabai Krishnarao Deshmukh* [AIR 1931 Bom 97: 32 Bom LR 924]. The Madhya Pradesh High Court in *Gulla Kharagjit Carpenter v. Narsingh Nandkishore Rawat* [AIR 1970 MP 225: 1970 MPLJ 586] also followed the Privy Council decision in *Sardar Gurbakhsh Singh case* [AIR 1927 PC 230: 32 CWN

119]. The Allahabad High Court in *Arjun Singh v. Virendra Nath* [AIR 1971 All 29] held that if a party abstains from entering the witness-box, it would give rise to an adverse inference against him. Similarly, a Division Bench of the Punjab and Haryana High Court in *Bhagwan Dass v. Bhishan Chand* [AIR 1974 P&H 7] drew a presumption under Section 114 of the Evidence Act, 1872 against a party who did not enter the witness-box.”

9. Having heard the submission of learned Advocates of both the parties, I have carefully gone through the memo of appeal and the grounds mentioned therein and also perused the record of the learned Trial Court and the impugned judgment and decree dated 27.04.2015, and the decision referred by Mr. Sarma, learned counsel for the appellants.

10. It appears that the respondent herein had claimed for recovery of a sum of Rs.51,34,336/- including the security deposit, in the suit instituted by him. It also appears that before institution of the suit, he had issued notice, dated 16.05.2000, under Section 80 CPC to the appellants herein. In the first notice dated 13.02.2002, he had first mentioned the amount he claimed is Rs.14,67,000/-, with interest up to date. But, in the subsequent amended notice he had mentioned the amount as Rs.18,25,196/-, on the ground that there was a *bona-fide* mistake in the first notice. If the amount is for Rs.18,25,196/- as per the subsequent notice under Section 80 CPC, no averments has been made in the pleading and no calculation has been shown as to how the amount escalates to Rs.51,34,336/-, which the learned Trial Court had decreed. The learned Trial Court also in the impugned judgment and decree, dated

27.04.2015, had not discussed anything in this regard and no reason was also assigned as to how the amount mentioned in the notice i.e. Rs.18,25,196/- becomes to Rs.51,34,336/-.

11. Thus there appears to be substance in the submission of Mr. Sarma, learned counsel for the appellants. According to him and as shown in the chart of his written synopsis of argument has rightly pointed out that even the interest is calculated @18% per annum, then also the amount becomes Rs.41,37,419/-, only and if the rate of interest is counted @ 6% per annum, then the amount would be much lower than the sum claimed by the respondent and decreed by the learned trial court.

12. It is well settled in the case of *Anil Rishi (supra)* that the burden of proof of a fact rest upon the party who substantially asserts the affirmative issue and not the party who denies it and that the plaintiff has to succeed on the strength of his own case and not on the weakness found in the case of the defendants.

13. In the case in hand, the respondent/plaintiff had failed to show the calculation and breakup of the amount of Rs.51,34,336/-. Thus, the amount claimed and decreed is vague, indefinite and inconclusive. The finding, so arrived at by the learned trial court in issue No. (iii) and (iv) of the impugned judgment, is erroneous and bereft of logic and on such count the same are arbitrary and also illegal.

14. This court, otherwise would have ventured to dispose of the appeal, had all the materials been placed on record. But, in view of inadequacy of materials, and this court would not like to make such venture, and in the interest of justice, this court deemed it appropriate to remand the matter to the learned Trial Court to hear the matter a fresh and to pronounce

judgment thereafter. In such exercise, if necessary the learned Trial Court shall afford opportunity of being heard to both the parties and to adduce evidence to the respondent herein. It is also provided that adequate discussion, in respect of issue No. (iii) and (iv) shall be made and in the process of determining the amount, at first the principal amount from the different bills, i.e. from Exhibits-1 to 9 shall be calculated and thereafter, the interest accrued thereon shall be added.

15. In the result, the impugned judgment and decree so passed by the learned Trial Court stands set aside and quashed. In view of provision of Rule 23-A Order 41 CPC, the matter is remanded to the learned Trial Court for deciding the matter a fresh in terms of the observations made herein above. Send down the record of the learned Trial Court with a copy of this judgment and order. Since it is an old pending matter, the learned Trial Court is directed to make an endeavour to conclude the trial as soon as practicable.

16. The parties have to bear their own cost.

Sd/- Robin Phukan
JUDGE

Comparing Assistant