



Introduction to the Law of carriage: Rights, obligations, and liabilities of common carriers

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Abstract

The legal framework of common carriers is reviewed in this abstract, with particular attention to their rights, obligations, and liabilities under Indian law, particularly the Carriages by Road Act, 2007, which replaced the Carriers Act of 1865. The law that controls the movement of people and products by air, sea, train, and road is known as the Law of Carriage. This project focuses on the rights, responsibilities, and liabilities of common carriers while discussing the ideas, rules, and obligations that underpin this important area of law. Being the ones who transport people, common carriers are subject to stringent legal requirements. These include the need to accept and deliver goods safely and without discrimination, as well as the liability for any loss or damage, with some exceptions that may be due to shipper error or natural disasters. In order to ensure accountability and fairness in transportation agreements, the study looks at significant legal instruments such as the Carriers Act of 1865 and international accords like the Hague-Visby Rules. This study highlights the importance of the Law of Carriage to international trade and logistics, as well as to address problems like liability disputes and regulatory compliance, by examining the trade-off between the rights (such as reasonable charges and lien) and the obligations of carriers.

Keywords: Law of carriage, accountability, fairness, transportation agreements, legal instruments, hague-visby rules, liabilities, rights, duties, common carrier

Introduction

The Law of Carriage applies and governs the transportation of people and products by air, sea, rail, and roads. In the relationship between the shipper (the person shipping the goods or passengers), the consignee (the recipient), and the carrier (the party providing transport of goods or passengers), it lays forth the legal requirements. In addition to defining the rights, obligations, and liabilities of all parties involved—particularly the common carrier—the legislation also makes transportation safe, efficient, and equitable. An introduction to the Law of Carriage is provided here, with particular mentions of a common carrier's rights, obligations, and liabilities. In accordance with national and international rules, the Law of Carriage governs contracts for the transportation of commodities or passengers. Common law principles, laws, and treaties (such as the Warsaw Convention on Air Travel and the Hague-Visby Rules on Sea Travel) are all included.

Topics covered by the law include delivery dates, safety, paperwork (such a bill of lading), and accountability in the event of damage or loss. It applies to both private carriers (contracted to perform specific services) and common carriers. The latter are subject to a greater obligation because they are performing a public service. Common carriers are people or businesses (such as shipping companies, railroads, or trucking companies) that charge the general public for transportation services under license or authority and without discrimination. Common carriers, as opposed to private carriers, are required to lawfully transport anyone upon reasonable request, provided that the request is within their capabilities.

Act Carrying the Goods

1. Law of Carriage of goods by land
 - The Carriers Act, 1865
 - The Railways Act, 1989

2. Law of Carriage of goods by sea
 - The Marine Insurance Act, 1963
 - The Carriage of goods by Sea Act, 1925
 - The Merchant Shipping Act, 1958
3. The Carriage by Air Act, 1972

Types of carriages of goods

If we talk about types of carriage of goods it is based on two findings.

1. On the basis of Product
 - Common Carrier
 - Private Carrier
 - Gratuitous Carrier
2. On the basis of Route
 - Sea
 - Land
 - Air

Common Carrier

A common carrier is a company that specializes in transporting items for hire. A common carrier is a person who transports products from one location to another without distinction.

Private Carrier

A private carrier is someone who carries items for pay on occasion but does not regularly operate as a carrier. It is not necessary for someone to transport everyone else's stuff.

Gratuitous Carrier

A person who agrees to transport persons or things without getting paid, rewarded, or otherwise compensated is known as a gratuitous carrier. As opposed to a common carrier, who works as a business and is solely responsible for any

damage or loss. With no contractual payment, a gratuitous carrier provides the service only out of convenience or kindness.

Case law

R.R.N. Ramalinga Nadar v. Narayana Reddiar (Supreme Court of India, 1970)

In this instance, the Indian Supreme Court ruled that whereas a private carrier choose who it serves, a common carrier purports to provide transportation services to everyone for a fee. Private carriers provide services either openly or with restrictions^[1].

Air Carrying Corporation v. Shibendra Nath Bhattacharya (1964)

The Calcutta High Court upholds English common law's continued jurisdiction over domestic airlines in India, and they can even use specific terms to avoid accountability for carelessness^[2].

Carriage of Goods by Land

It describes how products are moved over land, such as by highways, from one location to another. By trains and trucks, for instance. Two laws apply to the transportation of products by land: The Railways Act of 1870 and the Carriage of Road Act of 2007^[3].

Modes of Carriage of goods by land

Carriage by Road

Carriage by Road Act, 2007

March 1, 2011 was the date this act went into effect. This act primarily provided us with information concerning the "Common Carrier," including his rights, obligations, and liabilities. Only twenty-two pieces make up the act. However, several of the 22 sections are especially significant. For example, Section 3 discusses the Common Carrier's Mandatory Registration.

According to Section 16, a written notice must be given within six months of any loss or damage in order to raise a claim. Common carriers are prohibited by Section 13 from conveying hazardous materials without the necessary insurance and protections are in place^[4].

Carriage by Rail

Railways Act, 1989

Upon acceptance, a railway receipt and forwarding letter are sent, which act as initial proof of package weight. Railways are held strictly liable for any loss, damage, or non-delivery, unless they can demonstrate that they took reasonable precautions or there are exclusions, such as natural causes or consignor fault^[5].

Case Law

Rivers Steam Navigation Co. Ltd v. State of Assam (Assam High Court)^[6]

The Assam High Court says that when there are no special contract limits and a delay in carriage, there is no need to demonstrate carelessness.

Carriage of Goods by Sea

There are laws defining the rights and obligations of shippers, consignees, and shippers when it comes to the transportation of commodities by water. It is mostly dealt with by international agreements such as the Hamburg Rules and the Hague Rules. Carriage of Goods by Sea Act,

2025, took the place of the Carriage of Goods by Sea Act, 1925 in India.

Legal framework

Legal framework includes acts related to carriage of goods by sea, international conventions and the most important thing Bill of lading.

International conventions

Hague Rules^[7] (1924): Establishing minimal requirements for the transportation of commodities by water is made easier by the Hague Rules accord. Their major goals are to protect cargo owners from excessive carrier liability and to standardize the laws pertaining to bills of lading.

Hamburg Rules^[8]: A consistent legal foundation for maritime freight is established by this treaty. These regulations address the duration of carrier obligation, the foundation of liability, the documentation process, and liability limitations.

Bill of Lading

Bill of lading is a document which is issued by a carrier to shipper.

It contains some important details

1. Type and quantity of the goods.
2. Conditions of the goods.
3. Destination of the goods.
4. Responsibilities and liabilities of the carrier.

Key functions of a Bill of Lading

A contract of carriage outlines the conditions of transporting the products and is signed by the shipper, or a sender of the goods, and the carrier.

Receipt of Goods: This acknowledges the acceptance of the carrier to receive the shipper goods in good condition (except where otherwise stated) and places the responsibility of carrying them on.

Name of the document: As proof of ownership the documents allow the owner or the buyer or consignee to claim the items upon their arrival. This renders it a negotiable instrument in a few instances with the most notable cases being in trade finance^[9].

Act Carrying the Goods by Sea The Marine Insurance Act, 1963.

The main piece of law in India governing marine insurance contracts is the Marine Insurance Act of 1963, which establishes important rights, obligations, and principles for both insureds and insurers. Marine insurance, as defined in Section 3, is a contract in which the insurer promises to compensate the assured for losses resulting from maritime adventures. Under some circumstances, Section 4 permits insurance to cover both land and marine risks. According to Section 6, the insured must have a legitimate or equitable stake in the insurance's subject matter. The contract is null and void if there is no insurable interest^[10].

Case law

Lucena v. Craufurd (1806)^[11] - The court ruled that a legal or equitable right is necessary; merely expecting or hoping is insufficient. All relevant facts must be disclosed by both parties under Section 17. If this isn't done, the other party can cancel the contract.

The Merchant Shipping Act, 1958

One significant piece of legislation in India that governs shipping and maritime operations is the Merchant Shipping Act of 1958. It was put into effect to protect ships, seamen, and the maritime industry. The Merchant transport Act, 1958, was primarily designed to support the growth of the Indian mercantile marine industry and to guarantee the effective operation of maritime transport. Important changes have also been made to the Act to bring it into compliance with international maritime accords. Laws as the MARPOL (Pollution) and SOLAS (Safety of Life at Sea) conventions [12].

The Carriage of Goods by Sea Act, 1925

The goal of this act was to make maritime shipping contracts more consistent and equitable, especially with regard to bills of lading. Additionally, it establishes equilibrium between the rights and obligations of cargo owners and shipowners. Additionally, it still affects how shipping issues are interpreted by the law.

Case law

M.V. Elisabeth v. Harwan Investment and Trading (P) Ltd, 1993 [13]

An outgoing foreign ship may be arrested under the Carriage of Goods by Sea Act of 1925 for any harm it may cause.

Recent Developments in India Related to Carriage of Goods by Sea Act, 1925

The Carriage of Goods by Sea Act, 2025, was a new modification that was being made in 2025 with the intention of modernizing and simplifying the law. In India, this law supersedes the previous Carriage of Goods by Sea Act, 1925 [14].

Carriage of Goods by air

When goods are transported by air under a carriage agreement between a shipper and a carrier, this is referred to as "carrying goods by air." It entails the legal, logistical, and regulatory procedures involved in transporting goods by air.

Carriage by Air Act, 1972

In addition to establishing guidelines for passenger compensation and carrier liability, this legislation applies international regulations to domestic conflicts with the appropriate modifications.

This act includes international conventions like –

1. Warsaw Convention, 1929
2. Montreal Convention, 1999

Case Law

M/S Bhagwandas B. Ramchandani v. British Airways (Supreme Court, 2022) [15]

The case law's significance lies in its reaffirmation that a general statute (the Limitation Act) is superseded for its realm by a special act (the Air Act) with a defined limitation period.

Judgement: The Supreme Court of India ruled that the Limitation Act is specifically excluded from application by Rule 30 of the Second Schedule of the Air Act. The right to

damages is annihilated rather than only barred as a remedy if a claim is not filed within two years.

Rights, duties and liabilities of a common carrier

Liabilities of Common Carrier

We must know from what time the liability take place. According to the section 15 of Carriage by Road Act 2007 [16], the common carrier is responsible at the moment the product got accepted whether personally or by any authorized agent. This responsibility extends up to the actual or constructive delivery of the goods to the consignee, and not until they arrive at their destination. According to the section 10(1) of the Carriage by Road Act, the liability of the common carrier to the consignment due to his negligence will be equal to the declared value of the goods. Sub section 2 of Section 10 states that if there is any delay in the delivery of the goods, the whole liability of the common carrier would be equal to the amount of freight charges. According to Section 11 of Carriage of Goods by Road Act, 2007 that provides relief to the common carrier in a way that if there is delay in the delivery of goods and it is caused without any fault on the part of the common carrier, he shall not be made liable. Section 12 of Carriage of Goods by Road Act, 2007 provides the condition limiting exonerating liability. It means the common carrier shall be held liable for any loss or damage or non-delivery of the goods due to any criminal act done by him or his agents. But there is one exception that the common carrier may not be held liable if the goods are confiscated by any authority to check and they find any illegal thing or the tax on the goods are pending [17].

Duties of Common Carrier

According to Section 3 of the Carriage by Road Act of 2007, anyone who describes themselves as a common carrier or works in the common carrier industry must seek to register within ninety days of the act's start.

Certificate renewal is covered in Section 4(1). To renew their certificate of registration, anyone wishing to operate as a common carrier must apply to the registering authorities. The obligation of a common carrier in the event that his certificate is revoked is discussed in Section 5(6). Following the revocation of their certificate, certificate holders are required to surrender their certificate to the registering body within 30 days. The primary duty is to complete the delivery that the common carrier has already approved from any consignor prior to the registration certificate being cancel. Following receipt of the goods by the consignor, the common carrier is subject to the restrictions of Section 9 [18].

Liabilities of Common Carrier

Common carrier liability for consignment loss or damage is limited to the sum specified by the regulations. Liability is limited to freight costs in the event of delivery delays for the period of time the goods forwarding notice specifies. If the delay exceeds that time frame, compensation is provided under Section 11's increased risk-rate provisions. In the event that the carrier can prove that his carelessness or fault was not the source of the loss, damage, or delay, he will not be held accountable [19].

Conditions Exonerating Liability

Section 12 of the Carriage by Road Act of 2007 discloses the circumstances in which a common carrier's responsibility is restricted or eliminated: [20]

1. Natural disasters
2. Civil unrest
3. Government directives or intervention.
4. Lockouts, strikes, and population disruptions.
5. An inherent quality of the products.
6. Poor or insufficient packaging
17. Carriage by road act, 2007
18. Carriage by road rules, 2011
19. The indian contract act and specific relief act
20. Carriage by road act, 2007
21. V. K. Agarwal, law of carriage

Beyond The Carriage by Road Act

Statutes governing carriage by rail, air, and sea exist in place of the carriage by road act; each has its own responsibility regime. Operators of multimodal transport have a variety of liability regulations that may conflict with one another or interact. Conventions such as the Hague convention and the CMR convention are typically implemented for international shipments. It is possible for these to create liability standards that are either greater or less strict than those found in Indian law^[21].

Conclusion

The Law of Carriage is a fundamental component of global trade and logistics because it provides a strong legal framework for regulating the flow of people and products via air, sea, train, and road. By establishing explicit criteria, international regulations such as the Hague-Visby Rules and the CMR Convention, as well as statutes like the Carriers Act of 1865 and the Carriage of Goods by Sea Act of 2025, would ensure accountability, equity, and efficiency in transportation contracts. The rules address important issues like as liability and compliance with regulations, which builds supply chain confidence. The common carrier, whose position as a public service provider imposes significant responsibilities at the expense of some rights, is the focal point of this framework. Common carriers are required to accept valid requests, deliver safely and on time, exercise reasonable care, and be strictly liable for any loss, damage, or delay unless the request actually caused the loss, damage, or delay, or there are other exclusions, such as an act of God or the shipper's fault. Their rights, which include possessory liens and reasonable charges, protect their business interests. The Carriers Act, 1865, Section 11's liability limitations and prohibitions provide a means of managing risks associated with valuable shipments. Harmonizing the liability regimes is complicated by the interplay between national laws and international treaties, particularly when it comes to multimodal transportation. However, it is precisely this harmony that makes international trade possible.

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