

Modi Sugar Mills Ltd. vs Union Of India (Uoi) on 14 March, 1984

Equivalent citations: AIR 1984 SC 1248, 1984(1) SCALE 519, 1984SUPP(1)SCC338, 1984(16)UJ638(SC), AIR 1984 SUPREME COURT 1248

Bench: A.N.Sen, D.A. Desai

ORDER

1. When the appeal was called out for hearing nobody appeared for the appellant. We requested Mr. Harbans Lal, Senior Advocate for the Union of India to take us through the relevant documents and the judgment. The dispute before us is about the value of containers roughly valued at Rs. 19,561/-. The dispute arose in the following circumstances.

2. The Union of India entered into a contract for biscuits to be manufactured by the appellant M/s. Modi Sugar Mills Ltd. The wheat flour for manufacture of biscuits was to be supplied by the Union of India. The same was supplied in containers. The containers were to be returned because the appellant deposited only the price of the flour and not the containers. The Government of India made a demand for the value of the containers which were not returned by the appellant. The appellant resisted the demand. The Union of India adjusted the demand from the security deposit made by the respondent under the contract. Thereupon the appellant filed the suit questioning the correctness of the action of the Union of India, adjusting the demand from the security deposit. The suit was decreed by the Trial Court. The Union of India preferred an appeal to the High Court. The appeal was heard by a Division Bench of the Delhi High Court. The High Court posed to itself the question whether the office of the Director of Purchase, Department of Food was entitled to value the containers according to 'Payment issue rates' and the answer was in the affirmative. The High Court also held that the value thus arrived at was the correct value and repelled the contention that the valuer's valuation ought not to have been accepted. The High Court finally held that the ownership of the property being the containers was never transferred to the appellant and the appellant having failed to return the containers was liable to pay the price of them. The High Court was further of the opinion that the Union of India was perfectly justified in first valuing the containers and adjusting the price from security deposit. Accordingly, the appeal preferred by the Union of India was allowed by the High Court setting aside the judgment and decree of the Trial Court with costs. Hence this appeal by certificate. This appeal does not raise any substantial question of law and appraisal of evidence is both reasonable and fair.

3. Having gone through the records, we think the decision of the High Court is entirely correct both on the question of appointing the value and determination of the valuation and adjustment of amount from security deposit. Therefore, there is no substance in this appeal. The appeal accordingly fails and is dismissed with no orders as to costs.