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C.A.No. 3964 OF 1998
ITEM NO.104

COURT NO.8

SECTION XIIA

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

CIVIL APPEAL NO.3964 OF 1998@@
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A.P. PAPER MILLS LTD. ... APPELLANT(S)

VERSUS

PRINCIPAL SECY., TO THE GOVT. & ORS. ... RESPONDENT(S)

(With Office Report)

Date: 11/02/2003. This/These matter(s) were called on for hearing today.@@
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CORAM:

HON'BLE MR. JUSTICE S.N. VARIAVA
HON'BLE MR. JUSTICE ARUN KUMAR

For Appellant (s) Mr. Rakesh Dwivedi, Sr. Adv.
Mr. Raju Raj Singh, Adv.
Mr. Anil Sharma, Adv.
Mr. Awnish Sinha, Adv.
Mr. Sanjeev Kumar, Adv. for
Mr. Sanjay Kapur, Adv.

For Respondent(s) Mr.T.V. Ratnam, Adv.
Mr. Guntur Prabhakar, Adv.

UPON hearing counsel the Court made the following
O R D E R

.....L.....I.....T.....T.....T.....T.....T.....T.....J.
.SP2

Heard learned counsel for the parties for
half an hour.

The appeal stands dismissed in terms of the
signed order with no order as to costs.

.SP1

(K.K. Chawla) (Jasbir Singh) @@
AA
Court Master Court Master

[Signed order is placed on the file]

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.PL58

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.3964 OF 1998@@
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A.P. PAPER MILLS LTD.

APPELLANT

VERSUS

PRINCIPAL SECY., TO THE GOVT.
& ORS.

RESPONDENTS

O R D E R@@
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.SP2

This appeal is against the judgment dated 10.4.1997. The question is whether there was a concluded contract between the appellants and the respondents. Admittedly, there is no written agreement between the parties. The question is whether the correspondence between the parties discloses a concluded contract. The High Court has set out in detail the entire correspondence. The High Court has then concluded that even though initially the appellants were seeking certain concessions ultimately by their letter dated 12.3.1988 the appellants have accepted the allotment of hardwood. The High Court has held that the appellants accepted the terms and conditions on the basis of which the hardwood was to be allotted to them. The High Court has correctly concluded that this is clear from the ..2/-

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fact that, in this letter, they agreed to deposit the amounts as per demands raised from time to time. Undoubtedly, in this letter the appellants request for extension of time to transport the goods. However, this does not detract from the fact that a concluded contract came into existence. We, therefore, see no fallacy or infirmity in the reasoning of the High Court that a concluded contract had come into existence.

We also see no substance in the submission that there was frustration of contract for reasons beyond control of the appellants. The only circumstance claimed is that there was a strike by Mukhaddams (forest workers) which prevented transportation of the goods from coupes/depots. The question for transportation would have come at a much later stage i.e. after possession was taken and payment was made. The appellants did not take possession and did not make payment. Therefore, the stage of transportation did not arise. The appellants having committed a breach prior to that stage cannot claim frustration. ...3/-

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We, therefore, see no infirmity in the judgment of the High Court. The appeal stands dismissed with no order as to costs.

.SP1

.....J.
(S.N. Variava)

.....J.
(Arun Kumar)

New Delhi,
February 11, 2003