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DISTRICT JUDGE
EVANS NG
5 OCTOBER 2026

IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2026] SGDC 327

District Court Originating Claim No 1604 of 2025

Between

Kay Lim Construction &
Trading Pte Ltd

... Claimant

And

Hurda Trading Pte Ltd

... Defendant

JUDGMENT

[Tort] — [Conversion]
[Damages] — [Assessment]

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Kay Lim Construction & Trading Pte Ltd
v
Hurda Trading Pte Ltd

[2026] SGDC 327

District Court Originating Claim No 1604 of 2025
District Judge Evans Ng
15 July, 18 September 2026

5 October 2026

Judgment reserved.

District Judge Evans Ng:

1 The Claimant is a general contractor. It employed Mr Murugesan Pradeep (“Pradeep”) on a work permit in 2024. Pradeep is variously described by the Claimant as a “caretaker and groundkeeper”,¹ “construction worker” or an “office boy”.² He had access to the Claimant’s store at 21 Senoko South Road, where it kept stocks of aluminium formwork (“Formwork”) purchased in 2017 for use in construction works. Pradeep was also a gambler with a penchant for spending more than he earned. He sought to make up the difference. Without the Claimant’s authority or consent, Pradeep sold portions of the Formwork as scrap metal to at least three companies and pocketed the proceeds. One of the companies that bought the Formwork was the Defendant. It is in the business of

¹ Affidavit of Evidence-in-Chief (“AEIC”) of Lee Li Ping, para 5.

² Claimant’s Bundle of Affidavits Volume 1 (“BA”), pg 33.

wholesaling scrap, junk and waste, including metal items. The Defendant resold the Formwork as scrap to another wholesaler for a profit.

Transactions between Pradeep and the Defendant

2 The broad circumstances under which the Defendant purchased the Formwork were set out in its Defence.³ The first transaction occurred on 23 March 2025 when Pradeep approached one of the Defendant’s workers, Mr Murugesan Balaji (“Balaji”), at its North Link premises, and offered to sell aluminium scrap at \$2.20 per kg. The Defendant’s director, Mr Sugunan Kugesh (“Kugesh”), approved the purchase as the prevailing retail price paid to individual sellers of scrap was between \$2.10 and \$2.30 per kg, and he believed the Defendant could resell the goods for a profit. Pradeep made the first delivery himself. In the ten transactions that followed, the Defendant collected the goods from the Claimant’s premises at 21 Senoko South Road. Altogether, from 23 March to 4 May 2025, the Defendant purchased 18,096 kg of goods from Pradeep and paid him \$39,811.20. Balaji and Kugesh gave materially the same account in their affidavits of evidence-in-chief. The key aspects of their account were not disturbed in cross-examination, and I accept it.

3 Pradeep’s unauthorised sale and delivery of the Formwork constituted conversion because those acts were inconsistent with the Claimant’s right to immediate possession as their true owner: *UCO Bank (formerly known as United Commercial Bank) v Ringler Pte Ltd* [1995] 1 SLR(R) 399 at [19]. It is a general rule of the common law that no one can transfer a better title to goods than he himself possesses. This rule is expressed in the terms of the Latin maxim *nemo dat quod non habet*. So far as contracts of sale of goods are concerned, it

³ Claimant’s Bundle of Documents (“CBD”), pgs 14-17.

is set out in s 21(1) of the Sale of Goods Act 1979 (“SGA”). Thus, the Defendant acquired no better title than Pradeep had.

The Defendant’s case

4 The Defendant seeks to avoid the consequences of the *nemo dat* rule with three arguments: Pradeep had actual authority to sell the Formwork;⁴ he had apparent authority to sell the Formwork; or he was a mercantile agent.⁵

5 The argument that the Claimant had conferred actual authority on Pradeep to sell its Formwork to the Defendant is based on s 62(2) of the SGA. It fails for the lack of evidence. The Claimant’s logistics supervisor, Mr Paramasivam Baskar (“Baskar”), was in charge of supervising Pradeep at the material time. Baskar gave evidence that Pradeep was not authorised to sell the Formwork to third parties,⁶ and that the Claimant regarded Pradeep’s actions as unlawful and had made two police reports on 9 May 2025 and 23 May 2025 concerning the missing Formwork and Pradeep’s involvement in its disappearance.⁷ Baskar’s evidence that Pradeep did not have actual authority was unshaken.

6 The Defendant’s resort to apparent authority does not assist it either. Apparent authority rests fundamentally on a representation emanating from the principal, here, the Claimant. It requires the principal to make a representation, whether by words or conduct, including by placing the alleged agent in a position which normally carries a certain authority. A person cannot ordinarily

⁴ Defendant’s Written Closing Submissions (“DWCS”), paras 16-24, 61, 67 and 119-122.

⁵ DWCS, paras 123-124.

⁶ AEIC of Baskar, para 9.

⁷ BA, pgs 33-34 and pgs 41-43.

become an agent of a principal by self-authorisation: *Skandinaviska Enskilda Banken AB (Publ), Singapore Branch v Asia Pacific Breweries (Singapore) Pte Ltd* [2011] 3 SLR 540 at [51]-[54]. The true owner must have so acted as to mislead the buyer into the belief that the seller was entitled to sell the goods: *People's Bank of Halifax v Estey* (1904) 34 SCR 429. There is no evidence of any form of such representation by the Claimant. Nor is there evidence that the Defendant relied on one. On the contrary, the Defendant admits in its Defence that “it does not know whether the Claimant had any knowledge, or had authorized or had consented, to Pradeep selling allegedly 15 bundles and [6] pallets of aluminium formwork”.⁸ The Defendant’s own evidence also showed that it likely regarded the goods as Pradeep’s scrap and treated Pradeep himself as the seller, rather than as an agent selling on the Claimant’s behalf.

7 The Defendant’s submission that Pradeep was a mercantile agent is misconceived. Under s 1 of the Factors Act 1889 (“FA”), a mercantile agent is one who, in the customary course of his business as such agent, has authority to sell or consign goods, buy goods, or raise money on their security. Section 2(1) of the FA protects certain dispositions made by a mercantile agent while in possession with the owner’s consent and acting in the ordinary course of the business of a mercantile agent: *Commercial & Savings Bank of Somalia v Joo Seng Co* [1988] 2 SLR(R) 57 at [7]-[8]. The substance of Pradeep’s relationship with the Claimant must be looked at. He was employed as a caretaker, groundkeeper, construction worker or office assistant. There is no evidence that the customary course of his business was that of an agent authorised to sell or otherwise deal commercially in the Claimant’s goods. The Defendant therefore cannot avail itself of the exception under the FA read with s 21(2)(a) of the SGA. It is unnecessary to consider the remaining requirements of s 2(1) of the

⁸ Defence, para 4.

FA, including whether Pradeep's possession was with the Claimant's consent and whether the Defendant took in good faith without notice of his want of authority.

8 Lastly, during cross-examination, the Defendant's counsel sought to establish that the Claimant was negligent in giving Pradeep access to the store that contained the Formwork and failing to detect Pradeep's removal of the Formwork.⁹ This line of questions suggested that the Defendant intended to argue that the Claimant was estopped by negligence. In the Defendant's written closing submissions, however, that argument was abandoned. The point would have failed anyway. Mere negligence in dealing with one's own property does not, without more, give rise to such an estoppel: *EG Tan & Co (Pte) v Lim & Tan (Pte)* [1985-1986] SLR(R) 1081 at [30]-[32]. Estoppel by negligence requires the buyer to show, first, that the true owner owed it a duty to be careful; secondly, that in breach of that duty the true owner was negligent; and, thirdly, that this negligence was the proximate or real cause of the buyer being induced to buy the goods and pay the purchase price to the seller. These points were not proven.

9 None of the Defendant's answers to the *nemo dat* rule succeeds. By purchasing, taking possession of and reselling the Formwork as its own without good title, the Defendant thereby also converted the Formwork. It is liable to pay damages to the Claimant.

Damages

10 The object of an award of damages for conversion is compensatory. The normal measure is the value of the goods at the time of conversion. Their market

⁹ Notes of Evidence, 15 July 2026, 52/13-19.

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value will ordinarily represent the loss suffered by a claimant who has been deprived of them: *Marco Polo Shipping Co Pte Ltd v Fairmacs Shipping & Transport Services Pte Ltd* [2015] 5 SLR 541 (“*Marco Polo Shipping*”) at [28]-[30]; *Don King Martin (trading as King Excursion & Transport Provider) v Lenny Arjan Singh* [2024] 4 SLR 593 (“*Don King Martin*”) at [65]-[66]. The market relied upon must, however, be one relevant to the claimant. Generally, this is the market to which the claimant would go to obtain a similar replacement for the goods: *Dways International Pte Ltd (formerly known as D’way International Pte Ltd and as Longevite Pte Ltd) v Lim Seow Hui Ratna Irene* [2024] 5 SLR 172 (“*Dways International*”) at [27]-[30]. The relevant question here is: What is the value, at the material time, of Formwork comparable in age and condition to that which was converted?

11 Strictly speaking, the market value of the goods falls to be assessed at the date of each conversion: *Marco Polo Shipping* at [30]. However, I would take mid-April 2025 as a representative valuation date because there is no evidence of any material movement in the value of the Formwork over the period when they were converted, *ie* from 23 March to 4 May 2025.

12 The difficulty that the Claimant faces is that it has not proved the value of comparable used Formwork in a market relevant to it. The Claimant is a general contractor which used the Formwork in its construction operations; it was not a trader in Formwork. The relevant market would therefore ordinarily be a market from which the Claimant could have obtained comparable replacement Formwork for deployment: *Dways International* at [29]-[34]. Some of the same Formwork remained in the Claimant’s store after Pradeep’s acts of conversion.¹⁰ The remaining stock could have served as a basis for

¹⁰ AEIC of Baskar, paras 7 and 8.

procuring quotations from suppliers or dealers in comparable used Formwork, or for obtaining an expert valuation. No such evidence was adduced.

13 The quantity converted presents a further complication. On the one hand, the Defendant admits that it purchased 18,096 kg of aluminium scrap from Pradeep. On the other hand, the Claimant seeks to quantify the converted Formwork by area. Baskar initially estimated from the Claimant's security video footage that 644.93 sqm had been removed,¹¹ before a further cross-check led him to the more conservative figure of 580.32 sqm.¹²

14 The two units of measurement can be reconciled. The Claimant purchased the Formwork from a supplier under a written contract dated 17 July 2017.¹³ The contract specified an average weight of "25-28 kg/m²" for the Formwork and priced it at \$160 per sqm. Dividing the Defendant's admitted purchase weight of 18,096 kg by that contractual weight specification yields an equivalent area ranging from 646.29 to 723.84 sqm. This result is largely consistent with Baskar's initial visual estimate of 644.93 sqm. I therefore accept that the Defendant's admitted weight of 18,096 kg represents the quantity of Formwork which it received from Pradeep. The significance of the lower 580.32 sqm figure is that it was the quantity on which the Claimant chose to calculate its claim; it does not displace the Defendant's admission as to the weight of the goods it purchased.

15 The Claimant seeks damages of \$92,851.20, calculated as 580.32 sqm multiplied by \$160 per sqm. The \$160 rate, however, was the price which the

¹¹ AEIC of Baskar, paras 24-35.

¹² AEIC of Baskar, para 46.

¹³ BA, pgs 8-11.

Claimant paid for *new* Formwork in 2017. It does not, without more, establish either the market value or the replacement cost of comparable used Formwork in mid-April 2025. The relevant replacement cost is ordinarily what the Claimant would have had to pay at the date of conversion to obtain comparable replacement goods: *Dways International* at [29] and [34]. The 2017 purchase price may have some evidential value, but only if appropriate allowance can be made for matters affecting its value in 2025, including changes in market prices and depreciation arising from age, use, deterioration or obsolescence: *Don King Martin* at [67]. The available evidence does not give me a sound basis to make those adjustments. Hence, I cannot accept \$160 per sqm as the appropriate valuation rate.

16 Nor can I determine the market value of the Formwork from other direct evidence. Neither party adduced contemporaneous prices for comparable second-hand Formwork, quotations for replacement Formwork, buy-back offers or expert valuation evidence. There is also insufficient evidence as to the extent to which the Formwork retained utility in 2025. Although the Claimant says that it remained physically serviceable, it is unclear whether the Formwork was custom-fabricated for the dimensions and geometry of a particular project and could not economically be adapted for another, or whether it formed part of a modular system capable of ready reuse on other projects. That distinction could markedly affect its value.

17 I also consider whether the 2017 purchase price might be used as a starting point from which a 2025 value could be derived by allowing for depreciation. Where precise evidence of the value of converted goods is unavailable, original cost less depreciation is one form of evidence to which a court may have regard: *Don King Martin* at [67]. But the evidence here does not permit that exercise to be carried out properly. I have no satisfactory evidence

of the number of use cycles which the Formwork had undergone, its physical condition, its expected economic life, the effects of its system design, its maintenance and handling, or the extent to which its useful service potential had been consumed by mid-April 2025. Any depreciation rate that I might apply in these circumstances would be arbitrary.

18 Even though the Claimant has failed to prove either the market value of comparable used Formwork in a market relevant to it, or the current cost of obtaining a comparable replacement, that does not mean that only nominal damages may be awarded. I accept that the Claimant suffered substantial loss because goods having real economic value were taken from it, and there is objective evidence from which at least a minimum value can be derived. Where the fact of loss has been established but precise proof of its amount is not obtainable, the court must do the best it can on the evidence available and may approach the assessment flexibly: *Robertson Quay Investment Pte Ltd v Steen Consultants Pte Ltd* [2008] 2 SLR(R) 623 at [27]-[31] and *Don King Martin* at [67].

19 Having found that the 18,096 kg purchased by the Defendant represents the quantity of the Claimant's Formwork which it received from Pradeep, I turn to the best evidence available of its minimum value. The Defendant's evidence, which I accept, was that the prevailing price paid by scrap dealers to individual sellers at the material time was between \$2.10 and \$2.30 per kg, and that each of its 11 purchases from Pradeep was made at \$2.20 per kg. There is no evidence that this was a distressed or artificially depressed price because the goods had been misappropriated. Those repeated transactions provide reliable evidence that the Formwork could at least have fetched \$2.20 per kg upon disposal as scrap. This does not mean that \$2.20 per kg represented the market value of the Formwork as reusable construction equipment, but the Claimant has simply

failed to prove any higher value on that basis. As such, I am constrained to assess value by reference to reliable evidence of what the goods could realise upon sale: *Chartered Electronics Industries Pte Ltd v Comtech IT Pte Ltd* [1998] 2 SLR(R) 1010 at [18]. I do not adopt the higher price at which the Defendant resold the scrap in its downstream wholesale market. The Claimant has not shown that this was a market in which it participated or to which it had access, and reliance on such a downstream market may overcompensate it: *Marco Polo Shipping* at [32] and *Dways International* at [29]. The Claimant having failed to prove that its loss exceeded the minimum value established by the scrap-sale evidence, I assess its damages at 18,096 kg × \$2.20 per kg, or \$39,811.20.

Residual causes of action

20 The Claimant also maintained claims in unlawful means conspiracy and unjust enrichment. I address each briefly. The conspiracy claim fails. There is no evidence of an agreement or understanding between Pradeep and the Defendant to pursue the unlawful transactions, still less that the Defendant intended to injure the Claimant. On the facts I have found, the Defendant believed it was purchasing Pradeep’s own scrap. The Claimant has accordingly failed to establish the essential elements of combination and intention to injure.

21 As regards unjust enrichment, the Claimant relies on “lack of consent” as the unjust factor.¹⁴ This is currently not recognised as an established unjust factor in Singapore. Even assuming it may be recognised, a claim based on lack of consent is unavailable where the claimant has an alternative cause of action on the same facts: *Robert Tantular v The Stephanie Karina (administratrix of*

¹⁴ Claimant’s Written Closing Submissions, para 70.

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the estate of Tan Ho Yung, deceased) [2025] 1 SLR 1083 at [144]-[145]. The Claimant has such a cause of action here in conversion, so its claim in unjust enrichment must fail.

22 I will hear the parties on the issues of interest and costs.

Evans Ng
District Judge

Tan Seng Chew Richard and Cynthiya C Charles Christy (Tan Chin
Hoe & Co) for the claimant;
Chidambaram Selvaraj (Apex Law LLC) for the defendant.
