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PUNJAB NATIONAL BANK

v.

INDIAN BANK AND ANR.

APRIL 22, 2003

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[BRIJESH KUMAR AND B.N. SRIKRISHNA, JJ.]

*Code of Civil Procedure, 1908; Order 6 Rule 17 r/w Section 151:*

C

*Contract between Indian firm and foreign firm—Loan taken by Indian firm from foreign firm against bank guarantee—Enforcing of bank guarantee by the assignee bank on repudiation of the contract—Denial to encash bank guarantee—Assignee—Bank filing a suit for recovery—Application for amendment of pleading for getting relief in foreign currency—Amendment allowed by Debt Recovery Tribunal—Reversed by the High Court—On appeal,*

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*Held: Since there has been indication of demand in foreign currency in the Plaint, there lies a claim for recovery in foreign currency—Vagueness in the averments for such claim and decree in terms of foreign currency could be removed by amendment of the pleading—Amendment is clarificatory in nature and not for revival of time barred claim—Nature of the suit not changed—Relief not frozen—Hence the application is not mala fide in nature and thus*

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*allowed—Effect of absence of certain facts in the averment could be considered at trial—A suit for decree in foreign currency may not be liable to be dismissed merely on the ground of failure to mention appropriate facts in the averment—Direction issued—Pleadings—Amendment of pleadings—Debt Recovery Tribunal Procedure Rules, 1987—Rule 7—Recovery of Debt due to*

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*Banks and Financial Institutions Act, 1993.*

*Words and Phrases:*

*'Amendment of pleading'—Meaning of in the context of suit for recovery in foreign currency.*

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**An Indian firm, entered into a contract with a foreign firm. The Indian firm took an advance from the foreign firm against the bank guarantee through the Respondent Bank. Later the foreign firm took loan from the Appellant Bank after assigning its rights in the bank guarantee in favour of the Appellant Bank. On repudiation of the contract, Appellant-Bank invoked the bank**

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guarantee for recovery of balance unrecovered advance against the Respondent-Bank and the firm. On denial of the payment, it filed a money suit against the Respondent Bank and the foreign firm. The Appellant-Bank also moved an application for amendment of pleading under the provisions of Code of Civil Procedure and the Recovery of Debt Due to Banks and Financial Institutions Act for getting the relief in foreign currency (US Dollars) and for clarifications for getting relief in foreign currency only. The amendment was allowed by the Debt Recovery Tribunal. However, the order was reversed by the High Court. Hence the present appeal. A  
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It was submitted for the appellant that while considering application for amendment of pleading the Court should take into account all the averments made in different parts of the Plaint/relief clauses etc. before arriving at a conclusion; and that there were categorical averments made seeking decree in foreign currency only. C

On behalf of the Respondent-Bank, It was submitted that the appellant has frozen its relief in the Plaint by demanding relief in foreign currency. D

Allowing the appeal, the Court

HELD: 1.1. A suit, with a prayer for decree in foreign currency will not be liable to be dismissed for mere omission to make an averment that decree may be passed subject to permission of the FERA authorities or where it has not been indicated while making an averment regarding valuation of the suit for court fee and jurisdiction. So far as the averment regarding an undertaking that the plaintiff would make good the deficiency in the court fee, absence of such an averment would not be fatal to the prayer made for the amendment since such a direction can always be given by the Court and on failure to pay the deficient court fee, the decree would be confined to the extent the court fee is paid. [845-G, H; 846-A, B] E  
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*Pirgonda Hongonda Patil v. Kalgonda Shidgonda Patil and Ors.*, AIR (1957) SC 363; *Ganjam Jaikishan Joshi v. Prabhakar Mohanlal Kalwar*, [1990] 1 SCC 166 and *Sampat Kumar v. Ayyakannu and Anr.*, [2002] 7 SCC 559, relied on. G

*Forasol v. Oil & Natural Gas Commission*, AIR (1984) SC 241, distinguished.

*L.J. Leach & Co. v. M/s. Jardine Skinner & Co. Ltd.*, AIR (1957) SC H

A 357, referred to.

1.2. In some paragraphs and in the caption of the cause title of the suit, rupee equivalent of US Dollars has been indicated first and dollar later, as well as in prayer but by reading the *Plaint* as a whole, it would not mean that there is no claim and prayer for decree in terms of dollars at all. [849-C]

B *Nichhalbhai Vakkavgau and Ors. v. Jaswantlal Zinabhai and Ors.*, AIR (1966) SC 997 and *Corporation of the City of Bangalore v. M. Papaiah and Anr.*, [1989] 3 SCC 612, relied on.

C 1.3. Even if there is some vagueness in the *Plaintiff's* case regarding the claim and decree in terms of dollar or rupee but there can always be an amendment of the pleading to clear such confusions and vagueness. By seeking an amendment of pleading, nothing fresh or new is sought to be added. No new relief is sought to be added, only rupee equivalent of the dollar, is sought to be deleted and a clear prayer for decree in dollars would, resultantly remain there, by deletion of rupee component equivalent to the dollars. [849-D, G]

D *Laxmidas Dahyabhai Kabarwala v. Nanabhai Chunilal Kabarwala and Ors.*, [1964] 2 SCR 567, relied on.

E 1.4. Delay in moving the amendment application would also not be material since proceedings are still not at the trial stage. The defendant is in no way taken by surprise by allowing the amendment. Such an averment is already there in the *plaint* at places more than one as well as in the relief clause. The defendant would not be called upon to answer any new case. An amendment would generally not be disallowed except where a time barred claim is sought to be introduced, there too it would be one of the factors for consideration or where it changes the nature of the suit itself or it is *malafide* or the other party cannot be placed in the same position had the *plaint* been originally filed correctly. But no such element is present in the case so as to disallow the amendment in the *plaint*. No undue advantage is sought to be taken by such amendment. The amendment only clears the confusion, if any, as to the terms in which relief is sought. It does not revive a time barred and dead claim, nor changes the nature of the suit. In the facts and circumstances, it cannot be said to be *malafide* either. [850-A-D]

H 1.5. The effect of absence of some averments. The appellant has given its explanation about such averments or absence thereof, but it is not necessary

to consider the merit of the same and record a finding at this stage. It will be a matter for decision in the trial. [850-F, G] A

*Forasol v. Oil & Natural Gas Commission*, AIR (1984) SC 241, referred to.

1.6. The difference in amount being huge, would not be a legitimate ground to deny amendment of the plaint which otherwise, passes the test of all the conditions under which normally amendment is to be allowed. It cannot be doubted that plaintiff intended and had asked for a decree in terms of dollars. The defendant was quite aware of the same and doubts, if any, by converting equivalent of dollars in rupees would be dispelled by the amendment sought. The decree in terms of dollars was prayed to be passed; the same position is reiterated by addition and deletion of certain parts of averments of the relief clause; no new claim has been made out and so no question of freezing of any claim or any such claim having become barred by time arises. [851-A-C] B C

*United India Insurance Co. Ltd. and Ors. v. Patricia Jean Mahajan and Ors.*, [2002] 6 SCC 281, distinguished. D

1.7. Merits of the case would be subject matter of the trial and ultimate judgment to be passed in the case. The application for amendment was moved with some delay. If the plaintiff had been more careful at the time of filing of the plaint, and had made the prayers more clearly, it would not have been necessary to move the amendment application. Hence the amendment is allowed with costs. [851-F, G] E

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 7072 of 2001.

From the Judgment and Order dated 12.3.2001 of the Delhi High Court in C.W.P. No. 1831 of 2000-C. F

Soli J. Sorabjee, Attorney General, Mohit Chaudhary, Dhruv Mehta, Jagat Arora, Anand Misra, Ashim Sood for M/s. K.L. Mehta, & Co. for the Appellant. G

K.K. Venugopal, B.R. Narang and Balraj Dewan for the Respondents.

The Judgment of the Court was delivered by

**BRIJESH KUMAR, J.** The dispute brought before this Court by means of instant appeal relates to refusal to allow amendment of the plaint, in the H

A suit for money decree filed by the appellant against the respondent in Delhi High Court, which, later on has been transferred to the Debt Recovery Tribunal, Delhi.

B The main contesting respondent in Indian Bank and respondent no.2-M/s. Indo-Europe Foods Ltd. has been impleaded as Proforma Respondent in this appeal. The reference of respondent wherever made in this judgment is for respondent no.1 Indian Bank and wherever the word USD has been used it stands for U.S. Dollars.

C As a brief background, to better understand the controversy involved, it may only be indicated that a contract was entered into between Oswal Agro Mills Limited and Indo Europe Foods Limited of United Kingdom. An amount of USD 6.00 million was advanced to Oswal Agro by Indo Europe which was liable to be adjusted against bills of Oswal Agro on export of agro products by Oswal Agro to Indo Europe. Oswal Agro furnished a Bank Guarantee of Indian Bank to the extent of USD 6.00 million, in favour of Indo Europe to cover the advance made by Indo Europe. The Bank guarantee dated February 3, 1983 was executed by Indian Bank in favour of Indo Europe Foods Limited, who is beneficiary of the guarantee. A few relevant clauses of the Bank Guarantee are quoted below:

E "GUARANTEE

F (a) In consideration of the Beneficiary entering into the contract and making the advance payment, the guarantor hereby irrevocably and unconditionally guarantees to the beneficiary the due and puntual repayment, whether at stated maturity or acceleration or otherwise of the advance payment of OAML under or pursuant to the contract in accordance with its terms and agrees that if and whenever OAML shall fail to pay any part of such sum when due, as stated above, the Guarantor shall forthwith on written demand by the Beneficiary pay an amount equal to such sum to the Beneficiary in the currency and in the manner required of OAML by the contract in respect of such sum.

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(G) The maximum contingent liability of the guarantor hereunder shall not exceed USD 6,000,000 (United States Dollars Six million only)

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## GENERAL

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(C) The united States Dollar is the currency of the account and payment for each and every sum at any time due from the Guarantor hereunder.

(D) On each date on which an amount is due from the Guarantor hereunder the Guarantor shall make the same available to the Beneficiary by payment in dollars in immediately available and freely transferable funds to the Beneficiary's account No. 36020 with Punjab National Bank Moor House, 119 London Wall, London B024-5HJ, (U.K.).

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Later, Indo Europe took a loan of USD 6.00 million from Punjab National Bank, assigning its rights under the above said Bank Guarantee in favour of Punjab National Bank. The notice of assignment of Bank Guarantee given by Indian Bank in favour of Indo Europe to the appellant-Punjab National Bank was intimated to the Indian Bank. It appears that in 1986 the contract between Oswal Agro Mills and Indo Europe came to an end, as a result of which on 14.8.1986, the Punjab National Bank invoked the Bank guarantee as assignee of the Indo Europe, requiring Indian Bank to pay USD 52,37,284.54 as balance of unrecovered advance. The amount having not been paid, the Punjab National Bank ultimately filed a suit against the Indian Bank and M/s. Indo-Europe Foods Ltd. impleading them as Defendants no.1 and 2 respectively. The following prayers were made as per paragraph 50 of the plaint which is quoted below:-

"The plaintiff prays for a decree against the defendants jointly and severally for;

- (i) Rs. 8,79,86,380.27 equivalent US dollars 5,237,284.54;
- (ii) Rs. 2,87,47,590.48 equivalent US dollars 17,11,166.10 on account of interest upto the date of the suit;
- (iii) Future interest from the date of suit till recovery at the rate of 2% over London Inter Bank offered rate;
- (iv) Costs of the suit;

- A (v) For further directions and orders that decretal amount may be paid to plaintiff in U.S. Dollars;
- (vi) Any other relief that this Hon'ble Court may deem fit on the facts and circumstances of the case."

B At this juncture, it will also be appropriate to peruse the averments made in paragraphs 42 and 46 of the plaint which read as under:-

C "42. That the plaintiff is entitled to receive recover and decree for US Dollars 5,237,284.54 and interest thereon of US dollars 17,11,166.10 at the agreed rate. The interest has been computed upto 10.8.1989 exclusive of 11.8.1989.

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D 46. That in terms of the agreement of guarantee dated 3.2.1983 made by Indian Bank, defendant, the United States dollar is the currency of account and payment for each and every sum at any time due from the guarantor, defendant, Indian Bank. The defendant Indian Bank is obliged and bound to make available to the beneficiary plaintiff the payments under the guarantee, as agreed, in dollars in immediately available and freely transferable funds. The plaintiff prays for decree in US dollars. In the alternative, if the Hon'ble Court holds not to grant decree in US dollars, then it may be allowed in equivalent value in rupees."

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In the title of the plaint in it was written as follows:

F "Suit for recovery of Rs. 8,79,86,380.27 equivalent of US Dollars 5236284.54 interest rupees 2,87,47,590.48 equivalent of dollars 17,11,166.10 and costs."

G The plaintiff-appellant moved an application for amendment of the plaint under Order 6 Rule 17 read with Section 151 of CPC and Section 22 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Paragraphs 5,6,7, of the amendments are as under:

H "5. That the relief claimed in the suit has been mentioned, due to a mistake or oversight in Indian Rupees equivalent of United States Dollars and likewise the amount interest claimed is also reflected in the same manner.

6. That the applicant wishes to delete the equivalent part of the conversion amount of US Dollars into Indian Rupees and wishes to retain the relief in US Dollars only, which is as per the contract of guarantee issued by the Indian Bank itself. **A**

7. That in view of these facts and circumstances, wherever there is reference to the recoverable amount being Rs. 8,79,86,380.27 equivalent to USD 5,237,284.54 as the principal amount and Indian Rupees 2,87,47,590.48 equivalent to USD 17,11,166.10 as interest, the same may be read in US dollars only and the Indian Rupees component may be allowed to be deleted so as to claim the relief in US Dollars only.” **B**

Cause title was sought to be amended as follows: **C**

“Suit for recovery of USD 52,37,284.54 towards the principal amount and interest of USD 17,11,166.10 and costs.”

Some other paragraphs were also sought to be added. So far as the prayer clause is concerned, it is sought to be amended to the following effect: **D**

“The plaintiff prays for a decree against the defendants jointly and severally for;

- (i) US dollars 5,237,284.54 (United States Dollars fifty two lacs thirty seven thousand two hundred eighty four and fifty two hundred eighty four and fifty four cents) towards the principal amount. **E**
- (ii) US Dollars 17,11,166.10 on account of interest at the contractual rate i.e. 2% over the LIBOR rate, which is 9.45% per annum with quarterly rest, as on the date of filing of the suit;
- (iii) Future interest from the date of suit till recovery at the rate 2% over London Inter Bank Offered Rate; **F**
- (iv) Costs of the suit;
- (v) Further directions and orders that decretal amount may be paid to plaintiff in US Dollars;
- (vi) Any other relief that this Hon’ble Court may deem fit on the facts and circumstances of the case.” **G**

The application of amendment was opposed. It was, however, allowed by the Debt Recovery Tribunal and the appeal preferred to The Debt Recovery Appellate was dismissed. The respondent Indian Bank filed a writ petition **H**



- A challenging the order of the Debt Recovery Appellate Tribunal M/s. Indo-Europe Foods Ltd. was also impleaded as respondent no.2 in the Writ Petition. The Delhi High Court allowed the writ petition and set aside the orders passed by the Debt Recovery Tribunal and the Appellate Tribunal and rejected the application for amendment.
- B The main objection which seems to have been pressed by the respondent before the High Court is that the plaintiff has to decide at the time of filing of the suit as to whether the claim is to be made in Indian currency or the foreign currency. Once the plaintiff choose to claim the amount in Indian currency there was no occasion to allow the plaintiff to change its option and claim decree in terms of dollars and for the said proposition reliance has been placed on a case reported in AIR (1984) SC 241, *Forasol v. Oil and Natural Gas Commission*. The other contention was that the amendment is sought after a long lapse of time, namely, 9 years so the additional financial liability resulting as a consequence of the amendment would be time barred. The High Court after referring to the decision in the case of *Forsal supra* observed that
- C in case plaintiff choose to claim relief in foreign currency, the formalities required for such relief should have been spelt out in the plaint, which has not been done in the present case, viz., it is not indicated that the prayer for decree in foreign currency is subject to permission of the concerned authorities under Foreign Exchange Regulation Act, 1973 and further that in case no permission is granted or the amount is not paid in foreign currency the same
- D be paid at the rate of exchange prevailing on the date of Judgment. An undertaking should also be given for making good the deficiency in the court fee. In respect of Clause V of the prayer, the High Court observed that the place where the said clause has been inserted shows that the intention was to reconvert the amount from rupee to USD at the time of the payment of the
- E said amount. The High Court also referred to paragraph 49 of the plaint, which indicates the amount in rupee for the purpose of payment of court fee and jurisdiction. It is observed that it has not been that the claim has been converted into rupee for the purposes of court fee and jurisdiction only. It is then observed that if amendment is allowed it will increase the amount of
- F claim by rupee 22 crores namely, more than 3 times of the original claim which may cause injustice to the Indian Bank as otherwise the claim would be barred by limitation and in that connection the High Court has referred to decisions reported in 83 (2000) DLT 277, *Mrs. Janet Anne Woolgar James and Ors. v. Jaypee Hotel Ltd.* and AIR (1957) SC 363, *Pirgonda Hongonda Patil v. Kalgonda Shidgonda Patil and Ors.* On the above reasoning writ petition
- G was allowed and the prayer for amendment has been refused.
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The High Court observed that the order of the Debt Recovery Tribunal allowing the amendment was a non-speaking order and so far the Debt Recovery Appellate Tribunal is concerned, it was mainly influenced by the averment made in Paragraphs 42 and 46 of the plaint read with prayer (v), according to which plaintiff had claimed that it was entitled to the decree in U.S. Dollars and prayed for decree in those terms.

We feel, it would be appropriate to consider the decision mainly relied upon by the High Court viz. in the case of *Forasol* supra. As a matter of fact, it does not pertain to amendment of the pleadings at all. A contract was entered into between the French company Forasol and the ONGC according to which currency account and the payment was to be made in French Francs, except a part of it. The suit was decreed but the decree did not indicate the rate of conversion. It was held that it could be as prevailing on the date of judgment or any date near about or any date when the amount became payable or the date of the filing of the suit. It was also found that in absence of permission under FERA or due to any other impossibility to pay in Francs, the money could be paid in Indian currency otherwise it might frustrate the decree itself. In connection with the above controversy, it was observed that the Court must provide for such an eventuality. It is also observed that for the purpose of pecuniary jurisdiction of the Court, the plaintiff must in his plaint give the Rupee equivalent of the foreign currency claimed by him at the rate of exchange *prevalent on the date of institution of the suit*. It has been observed that it would be convenient to set out the practice which ought to be followed in suits claiming relief in foreign currency e.g. it would be proper to make a prayer for such a decree subject to permission of concerned authorities under the Foreign Exchange Regulation Act, 1973. The plaintiff is also supposed to give an undertaking in the plaint that he would make good the deficiency in the Court fee on account of difference in the rate of exchange. The plaintiff must clearly indicate that he would like the claim to be decreed in terms of foreign currency or Indian currency. The option should be exercised while filing the suit. We, however, fail to appreciate as to in what manner the practice set out and proposition laid in the case of *Forasol* supra would come in the way of amendment of the plaint, prayed for. A suit, with a prayer for decree in foreign currency will not be liable to be dismissed for mere omission to make an averment that decree may be passed subject to permission of the FERA authorities or where it has not been indicated, while making an averment regarding valuation of the suit for court fee and jurisdiction, as in the present case in Para 49 of the plaint, that it was for that purpose only. So far the averment regarding an undertaking that the

A plaintiff would make good the deficiency in the court fee, in our absence of such an averment would also not be fatal to the prayer made for the amendment since such a direction can always be given by the Court and on failure to pay the deficient court fee, the decree would be confined to the extent the court fee is paid. Otherwise also the learned counsel for the appellant has drawn our attention to the Debt Recovery Tribunal (Procedure) Rules, 1987 where under Rule 7 maximum court fee payable is Rs. 1.5 lacs. It is submitted that court fee paid in this case is much more and the matter is now pending before the Debt Recovery Tribunal.

C We may now peruse the decision of this Court in the case of *Pirgonda* (supra). The principle regarding the law of amendment has been laid in the last paragraph of the judgment but we may quote the following relevant passage which reads as under:

D “We think that the correct principles were enunciated by Batchelor J. in his judgment in the same case, viz., *Kisndas Rupchand’s* case [1900] ILR 33 Bom. 644 when he said at pp 649-650; “All amendments ought to be allowed which satisfy the two conditions (a) of not working injustice to the other side, and (b) of being necessary for the purpose of determining the real questions in controversy between the parties.....but I refrain from citing further authorities, as, in my opinion they all lay down precisely the same doctrine. That doctrine, as I understand it, is that amendments should be refused only where the other party cannot be placed in the same position as if the pleading had been originally correct, but the amendment would cause him an injury which could not be compensated in costs. It is merely a particular case of this general rule that where a plaintiff seeks to amendment by setting up a fresh claim in respect of a cause of action which since the institution of the suit had become barred by limitation, the amendment must be refused; to allow it would be to cause the defendant an injury which could not be compensated in costs by depriving him of a good defence to the claim. The ultimate test therefore still remains the same; can the amendment be allowed without injustice to the other side, or ‘can it not?’” Batchelor J. made these observations in a case where the claim was for dissolution of partnership and accounts the plaintiffs alleging that in pursuance of a partnership agreement they had delivered Rs. 4001 worth of cloth to the defendants. The Subordinate Judge found that the plaintiffs did deliver the cloth but came to the conclusion that no partnership was created. At the appellate

stage, the plaintiff abandoned the plea of partnership and prayed for leave to amend by adding a prayer for the recovery of Rs. 4001. *At that date the claim for money was barred by limitation. It was held that the amendment was rightly allowed, as the claim was not a new claim.* A

The same principles, we hold, should apply in the present case. The amendments do not really introduce a new case, and the application filed by the appellant himself showed that he was not taken by surprise; *nor did he have to meet a new claim set up for the first time after the expiry of the period of limitation.* B

(Emphasis supplied.) C

Another decision which has been relied upon on behalf of the appellant is reported in [1990] 1 SCC 166. *Gajanan Jaikishan Joshi v. Prabhakar Mohanlal Kalwar*, wherein the suit was for specific performance of the contract. No averments as per Section 16(C) of the Specific Relief Act to the effect that the plaintiff was ready and willing to fulfil its obligation, under the contract were made in the plaint. The issue relating to this question was to be tried as preliminary issue at which stage an application for amendment was made for adding the necessary averments complying with Section 16 (C) of the Specific Relief Act. The application was opposed *inter alia* on the ground of limitation. The objections were rejected and the application for amendment was allowed and this Court observed that by the amendment indicated above no fresh cause of action was sought to be introduced by the plaintiff and all that was ought to be done was to complete the cause of action for specific performance which relief had already been prayed for. Referring to the decision of *Pirgonda* (supra) it was observed that all amendments ought to be allowed which do not result in injustice to the other side and would be necessary for purposes of determining the real question in controversy. Yet another consideration would be viz. where the other party cannot be placed in the same position, if the plea had been correctly taken originally, such an amendment would cause him an injury which could not be compensated in costs. It is also observed that where a fresh claim is sought to be set up by amendment which would be barred by limitation it may entail rejection of prayer for amendment. The court also made reference to a decision in the case of *L.J. Leach and Co. v. M/s. Jardine Skinner and Co. Ltd.* reported in AIR (1957) SC 357 and quoted a passage from the said case as follows: D E F G

“It is no doubt true that courts would, as a rule, decline to allow amendments, if a fresh suit on the amended claim would be barred by H

A limitation on the date of the application. But that is a factor to be taken into account in exercise of the discretion as to whether amendment should be ordered, and does not affect the power of the court to order it, if that is required in the interests of justice.”

B Another decision referred to is reported in [2002] 7 SCC 559, *Sampat Kumar v. Ayyakannu and Anr.* It has been observed in this case that mere delay in making the application for amendment may not be very relevant but the stage of the proceedings may be more relevant factor to be taken into account. The amendments at pre trial stage may ordinarily be permitted. It is also observed that where the basic structure of the suit remains unchanged and a cause of action sought to be introduced which arose during the pendency of the suit should be allowed to be introduced including the nature of the relief.

C On behalf of the appellant it has been submitted that while considering such questions like amendment of plaint etc. the plaint should be read as a whole and all averments made in different paragraphs and clauses including relief clause should be taken into account; rather than to confine to certain averments made here and there and in one, or the other paragraph, or the relief clause, leaving aside the rest. In this connection a reference has been made to a decision of this court reported in AIR (1966) SC 997, *Nichhalbhai Vallabhai and Ors. v. Jaswantlal Zinabhai and Ors.* Yet another decision on the point as relied upon by the appellant is reported in [1989] 3 SCC 612, *Corporation of the City of Bangalore v. M. Papaiah and Anr.* The relief for permanent injunction was prayed for based on claim of title over the property but no declaration of title in the property was prayed nor that for possession. The amendment sought in such circumstances was allowed observing that the plaint has to be read as a whole and the question of amendment should be considered in that light and not merely on the basis of the prayer clause.

F In this light the appellant submits that it is only appropriate that the averments made in the plaint in general may be read as a whole. It is submitted that the background in which the controversy arose, more particularly relating to claim in dollars would also be relevant for the purpose. In that connection, as indicated earlier, the terms of the bank guarantee provide that US Dollar is the currency of account and payment in dollars for each and every sum at any time due from guarantor. The said bank guarantee was assigned in favour of the plaintiff appellant by Indo Europe. Notice of demand given by the plaintiff by letter dated 14.8.1996 also called upon the defendant No.1 to pay the outstanding amount of USD 5,237,284.54. Again the demand was reiterated for payment in USD 5,237,284.54, the demand was repeated subsequently also for

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payment in dollars. Para 42 of the plaint quoted earlier clearly indicates that plaintiff is entitled to receive, recover and decree for USD 5,237,284.54. Again the appellant refers to para 46 of the plaint which has also been quoted earlier, praying for decree in USD and in the alternative, if not so decreed in dollars, then it may be allowed in equivalent value in rupees. Prayer (v) seeks a direction that decretal amount be paid in US Dollars. In the background indicated above and the categorical averments made in the plaint including the prayer in Clause (v), it has been submitted that in effect and for all purposes, decree in dollars has been prayed for, which fact is very much in the knowledge of the defendant. True, as we feel, in some paragraphs and in the caption of the cause title of the suit, rupee equivalent of USD has been indicated first and dollar later as well as in prayer No. (i) and (ii) but that would not mean that there is no claim and prayer for decree in terms of dollars at all. We find it to be so by reading the plaint as a whole.

It can, however, be said that there is some vagueness in the plaintiff's case regarding the claim and decree in terms of dollar or rupee but there can always be an amendment of the pleading to clear such confusions and vagueness. In [1964] 2 SCR 567, *Laxmidas Dahyabhai Kabarwala v. Nanabhai Chunilal Kabarwala and Ors.*, it has been held that amendment can be refused when the effect of it would be to take away from a party a legal right which had accrued to him by lapse of time. It may be so when fresh allegations are added or fresh reliefs are sought by way of amendment. But where the amendment merely clarifies an existing pleading and does not in substance add to or alter it, there is no good reason not to allow the same nor even the bar of limitation would come in the way. No fresh allegations of facts have been introduced/or added nor any fresh cause of action or new relief is sought to be added. A matter already contained in the original pleading can always be clarified and such an amendment should ordinarily be allowed and in such a case the question of bar of limitation would not be attracted. The case in hand is not one in which something fresh or new is sought to be added. The claim in terms of dollars has been made in different paragraphs of the plaint as well as in Clause (v) of the prayer clause, no new relief is sought to be added, only rupee equivalent of the dollar, is sought to be deleted and a clear prayer for decree in dollars would, resultantly remain there, by deletion of rupee component equivalent to the dollars. In our view, no question of introducing any new case, a new cause of action or seeking new relief which may be barred by limitation arises. It is an amendment more clarificatory in nature.

A We would also like to observe that delay in moving the application would also not be material since proceedings are still not at the trial stage. The defendant is in no way taken by surprise by allowing the amendment. Such an averment is already there in the plaint at places more than one as well as in the relief clause. The defendant would not be called upon to answer any new case nor would be caught by surprise.

B The position that emerges from the decisions referred to earlier is that an amendment would generally not be disallowed except where a time barred claim is sought to be introduced, there too it would be one of the factors for consideration or where it changes the nature of the suit itself or it is malafide or the other party cannot be placed in the same position had the plaint been originally filed correctly, that is to say, the other side has lost right of a valid defence by subsequent amendment. We find that no such element is present in the case in hand so as to disallow the amendment in the plaint. No undue advantage is sought to be taken as the claim in terms of dollars is mentioned in the plaint and the relief clause and the defendants are not to be taken by surprise. The amendment only clears the confusion, if any, as to the terms in which relief is sought. It does not revive a time barred and dead claim, nor changes the nature of the suit. In the facts and circumstances, it cannot be said to be *malafide* either.

E We find that the grounds which have been indicated by the High Court in refusing the amendment that desired undertaking was not given in the plaint, that in case of deficiency in the court fee it would be made good by the plaintiff or that decree in foreign currency may be passed subject to permission of the concerned authorities under the FERA Act or such requirements as set out by way of practice in the case of *Forasol* supra. The effect of absence of such averments could very well be considered at the time of the trial and decision of the suit rather than at the time of considering the application for amendment. The appellant has given its explanation about such averments or absence thereof, but it is not necessary to consider the merit of same and record a finding at this stage. It will be a matter for decision in the trial.

G The submission made on behalf of the respondent that at the time of filing of the suit the appellant had frozen its relief by converting the dollar into rupee and making a claim in terms of rupee is not tenable. There is no occasion of freezing the relief nor the fact which weighed with the High Court and urged before us that there would be a huge difference of amount in terms

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of money if suit is decreed in dollars. The difference in amount being huge, would not be a legitimate ground to deny amendment of the plaint which otherwise, passes the test of all the conditions under which normally amendment is to be allowed. Considering the totality of the averments made in the plaint under different paragraphs as well as clause (v) of the relief clause, it cannot be doubted that, plaintiff intended and had asked for a decree in terms of dollars. The defendant was quite aware of the same and doubts, if any, by converting equivalent of dollars in rupees in some paragraphs of the plaint and Clauses (i) and (ii) of the prayer clauses, would be dispelled by the amendment sought. The decree in terms of dollars was requested to be passed; the same position is reiterated by addition and deletion of certain parts of averments of the relief clause; no new claim has been made so no question of freezing of any claim or any such claim having become barred by time arises. A reference has been made to a decision reported in [2002] 6 SCC page 281, *United India Insurance Co. Ltd. and Ors. v. Patricia Jean Mahajan and Ors.*, is of no help to the respondent, Paragraph 40 of the judgment particularly referred to, only indicates that in that case prayer was for passing a decree in terms of rupee. There was no claim for relief in terms of dollars, the rate at which the dollar was converted that amount was decreed and it was also received by the claimants. There was no prayer for amendment seeking relief in terms of dollars. In those circumstances it was found at the appellate stage that there was no occasion to apply the exchange rate, as prayed, on behalf of the respondent. In case in hand the plaintiff has taken care to amend the plaint to clarify the relief which had been prayed for originally as well.

We, however, feel that so far the merits of the case is concerned, it would be subject matter of the trial and ultimate judgment to be passed in the case. The application for amendment was moved with some delay. If the plaintiff had been more particular at the time of filing of the plaint, and had made the prayers more clearly, it would not have been necessary to move the amendment application. We therefore feel that it is a case where the amendment may be allowed with imposition of costs.

In the result, the appeal is allowed and the impugned order passed by the High Court is set aside. The order allowing the amendment of the plaint, passed by the Debt Recovery Tribunal, as upheld by the appellate Tribunal, is restored with modification that the appellant shall pay to the respondent no.1 costs amounting to Rs. 25,000 within a period of two months from today.

S.K.S.

Appeal allowed. H