

(2003) 04 BOM CK 0092

Bombay High Court

Case No: Chamber Summons No. 1479 of 2002 in Suit No. 1538 of 1983

Om Prakash Navani and Phool
Omprakash Navani

APPELLANT

Vs

Herebert Joseph Pereira (Dr. Ivan
Pinto and Juno C. Pereira), Mrs.
Joyce Evelyn Forbes Irving, Ena
Theresa Naylor, Edna Cecilin D.
Silva and Jaccueline Angela
Meers

RESPONDENT

Date of Decision: April 16, 2003

Acts Referred:

- Civil Procedure Code, 1908 (CPC) - Order 21 Rule 1

Citation: (2003) 3 ALLMR 657 : (2003) 3 MhLj 989

Hon'ble Judges: A.M. Khanwilkar, J

Bench: Single Bench

Advocate: Mahendra Ghelani, instructed by Law Charter, for the Appellant; Aspi Chinoy, F.E. De Vitre, S.K. Sen, Sachin Mandlik and Akshay Kolse Patil, instructed by Udwadia, Udeshi and Berjis, in support of Chamber Summons, for the Respondent

Judgement

A.M. Khanwilkar, J.

This Chamber Summons has been taken out by the Defendants 1B, 3, 4 and 5 for the following reliefs:

"(1) that the Prothonotary and Senior Master be directed to forthwith return to the Plaintiffs the sum of Rs. 10.96 lakhs deposited under false pretences in this Court.

(2) that the Prothonotary and Senior Master be directed to forthwith apply for and obtain cancellation of registration of the consent decree dated 18th October, 1984 as a purported conveyance/transfer, and to ensure that all relevant indices are rectified accordingly.

(3) that in the alternative to (2) hereinabove, the Prothonotary and Senior Master be directed to inform the Registrar at Bombay that as a result of the admitted failure of the Plaintiffs to make payment within the time specified in the decree, the decree registered is on its own terms a decree that stands cancelled and further procure that such cancellation be noted in the register along with the decree, and further ensure that all relevant indices are rectified accordingly to reflect the fact that the decree registered is a cancelled decree rather than a transfer or assignment of the suit property.

(4) that the Court Receiver, High Court, Bombay be appointed Receiver of the suit property, Joyeden, Mereweather Rd. Mumbai-400 039 as more particularly described in the Schedule to the said consent decree with all powers under Order XL Rule 1 of the CPC 1908.

(5) that the Plaintiffs be restrained from taking any steps in relation to the property or otherwise consequent on the fraudulent registration of the decree or dealing with or remaining in possession of the said suit property in any manner whatsoever.

(6) for ad-interim reliefs in terms of prayers (1) to (5) above,

(7) cost of the Chamber Summons be provided for;

(8) such further and other reliefs as the nature and the circumstances of the case may require and this Hon"ble Court may deem fit."

However, at the time of arguments, learned Counsel for the Defendants submitted that if the Court was inclined to grant relief in terms of Clauses (1) and (2), the Defendants would not pursue the other reliefs claimed in this Chamber Summons. Accordingly, the discussion in this Judgment is confined in the context of reliefs (1) and (2) referred to above.

2. The suit property is known as "Joyeden" which is a trust property comprising of land and building situated at Apollo Reclamation Estate of Bombay Port Trust. Sometime on 30th October, 1981, Mary Pereira (settlor) and the trustees entered into an Agreement for Sale of the said property to the trustees of Rishi Gagan Trust (hereinafter referred to as "Navani") for a consideration of Rs. 16,00,000/-. On execution of the said Agreement for Sale, an amount of Rs. 2,00,000/- was deposited with the Vendor's Advocate. On 9th October, 1983, Suit for specific performance was filed by Navani for specific performance of the Agreement dated 30th October, 1981. In this Suit, Consent Decree was passed on 18th October, 1984. As per Clause 1 of the Consent Decree, it was agreed and declared that the Agreement for Sale dated 30th October, 1981 made between the Plaintiffs (Navani) and Mary Antoinette Pereira (Defendant No. 1 and Victor Rodrigues, the trustees of the Deed of Settlement dated 29th October, 1954 is valid and subsisting and binding on the Defendants. In Clause 2, it was agreed and declared that the Defendants 2 to 5 are the only beneficiaries under the Deed of Settlement dated 29th October, 1954. As

per Clause 3, it was agreed and declared that Defendants 1A and 1B were the trustees at the relevant time of the said Deed dated 29th October, 1954. In Clause 4, it was declared that Defendants 2 to 5 have refused to act as trustees under the said Deed of Settlement dated 29th October, 1954. It is relevant to note that in Clause 5, it is agreed and declared that the Plaintiffs were liable to pay balance sum of Rs. 14,00,000/- under the Agreement of Sale dated 30th October, 1981. In Clause 6, it was agreed and declared that out of the said Rs. 14,00,000/-, the Plaintiffs shall pay sum of Rs. 1,00,000/- to M/s. Hooseini Doctor & Co. being their legal fees payable to Defendants 2 to 5 to them in respect of and relating to the Agreement for Sale and matters connected therewith. It was further agreed and declared that Plaintiffs shall pay Rs. 3,25,000/- to each of the Defendants 2 to 5 as set out in the said agreement. As per Clause 13 of the Consent Terms, it was ordered and declared that no payment of the said sum of Rs. 14,00,000/- and the interest mentioned in Clause 16, the decree to operate as assignment and transfer of the right title and interest of the Defendants in the property mentioned in the said Agreement for Sale dated 30th October, 1981, without any further act, deed or document. It is not in dispute that the Board of Trustees of the Bombay Port Trust have granted permission for transfer and/or assignment of the said immovable property to the Plaintiffs and the Plaintiffs have taken inspection of the relevant letters and have accepted the conditions mentioned therein, as is stated in Clause 14. As per Clause 15 of the Consent Terms, it was ordered and decree that the Plaintiffs to pay the balance price of Rs. 14,00,000/- and interest thereon as mentioned in Clause 16 on or before expiry of fifteen months from the date of the passing of the decree, time for payment being the essence. Clause 16 made provision for the interest to be paid by the Plaintiffs. Clause 17 which is of some significance for deciding the issues that arise in this case, provided that it was agreed and ordered that all payments to be made to Defendant No. 2, 3 and 5 under the Consent Terms be paid into non-resident account of Defendant Nos. 2, 3 and 5, if opened by them, failing which, the amounts to be deposited in this Hon'ble Court. Clause 15 and Clause 17 will have bearing on the issues that would arise for consideration as would be referred a little later. As per Clause 19, the Plaintiffs were put in possession of the said property and were entitled to collect rent including arrears, if any, compensation, mesne profits and to pay the outgoings and to manage and look after the property thereof with full right and authority to deal with the tenants and/or occupants. It is not necessary to elaborate Clause 19 further, except to state that the Plaintiffs were put in possession of the property by virtue of the Consent Decree. As per Clause 22, the Plaintiffs were liable and had undertaken to pay all municipal taxes and other statutory and non-statutory outgoing and observe and perform the terms and conditions and covenants under the Indenture of Lease dated 13th September, 1938. The other relevant clause is Clause 23 which ordered and decreed that in the event of Plaintiffs committing default in payment of the balance price of Rs. 14,00,000/- and interest thereon, on or before the stipulated date for payment, the earnest money of Rs. 2,00,000/- and the interest accrued thereon to stand forfeited

and the Consent Decree passed in accordance with the Consent Terms to stand cancelled and the Power of Attorney issued in favour of the Plaintiffs under the Consent Terms to stand revoked and the Suit to stand dismissed with no order as to costs. Besides, it is provided that the Plaintiffs undertake to this Hon"ble Court to redeliver the possession of the said immovable property to Defendants 2 to 5. According to the Defendants, the Plaintiffs did not discharge their liability under the Consent Terms before the stipulated date. It is in the backdrop, the Defendants, by communication sent to the Plaintiffs as well as the Bombay Port Trust made it known vide communication sent by letters dated 4th July, 1992 and 29th August, 1992 to the Plaintiffs and to the Port Trust confirming that the decree stood cancelled and revoking the Power of Attorney. It is the Defendants' case that inspite of this position taken by Defendants, due to negotiations for offer to overall settlement of all the disputes including the dispute regarding the Joyeden property, the Defendants did not precipitate the matter. The Defendants have asserted on affidavit that it is recently on 4th October, 2002, they have become aware that the Plaintiffs, behind their back, and without notice to them, have obtained order from the Prothonotary and Senior Master of deposit of a sum of Rs. 10,96,000/- under the pretext that the decree was still binding on the parties. On further enquiries, it transpired that the Plaintiffs' Advocate had earlier, for the same reliefs, moved the Chamber Judge by way of Judge's Order and, on affidavit, made certain false and misleading statements. The concerned Judge, however, declined to grant the order as prayed. However, without disclosing this relevant fact, the Plaintiffs approached the Prothonotary and Senior Master by their letter dated 12th February, 2002 to accept the deposit offered by them as if the Consent Terms were still alive and binding on the parties. Even in this letter, according to the amount of Rs. 10,96,000/- as if the same was pursuant the Consent Decree dated 18th October, 1984. After the order of deposit was passed and the said amount came to be deposited by the Plaintiffs in Court, the Plaintiffs moved for unsealing the decree by way of Judge's Order on 21st March, 2002 and persuaded the Court to pass that order without disclosing the true and relevant facts. On the basis of the Judge's order dated 21st March, 2002, the decree was unsealed and later on sent to the Sub-registrar on 17th August, 2002. According to the Defendants, they had absolutely no knowledge of all these steps taken by the Plaintiffs and they were not informed about the same inspite of the fact that the Plaintiffs knew the addresses of the Defendants as well as the fact that the concerned Defendants were represented by Advocates before this Court. It is contended on behalf of the Defendants that going by the plain language of the Consent Decree, it was not open to the Prothonotary and Senior Master to permit deposit, after the expiry of fifteen months from the date of the decree and therefore, the order passed by the Prothonotary and Senior Master permitting deposit, is obviously under mistaken belief. If this is so, the step taken due to mistake of the Office of the Court will have to be remedied. It is further contended that in any case, the steps taken by the Plaintiffs in persuading the Prothonotary and Senior Master for permitting them to deposit the amount and the subsequent steps

of unsealing, stamping and registration of the Consent Decree is tainted due to misrepresentation and systematic fraud played by the Plaintiffs and their Advocates. It is contended, therefore, that the action of deposit and the consequent registration will have to be nullified as it suffers from fraud. Reliance has been placed on the decision of the Apex Court in the case of [S.P. Chengalvaraya Naidu \(dead\) by L.Rs. Vs. Jagannath \(dead\) by L.Rs. and others,](#) as well as in the case of [Ramjisingh Bhuliansingh Vs. Tarun K. Shah and Others,](#). Reliance has also been placed on the decision of the Apex Court in [In Re: Sanjiv Datta and Others,](#) to contend that the Advocate who drafts or settles the document, which is the basis on which the order is sought from the Court or its Officers, also is a party to the fraud played on the Court.

3. On the other hand, the Plaintiffs have filed reply affidavit generally contending that the Chamber Summons was not maintainable and false and mischievous allegations have been made against the Plaintiffs to sub-serve the interest of the Defendants. The reply affidavit makes an attempt to narrate the events so as to contend that the Defendants were aware about the progress of the matter and they were informed that the Plaintiffs would take steps in furtherance of the Consent Decree. The reply affidavit also makes an attempt to assert that the Chamber Summons was not maintainable as all the trustees were not before the Court. Further, the Chamber Summons was not filed by authorised persons and that the Advocates appearing for the Applicants had no proper authority. It is further contended in the reply affidavit that the Defendants have waived their right inasmuch as they have accepted amounts under the Consent Decree in respect of the property in question. Moreover, by passage of time, the Plaintiffs have become sole and absolute owners of the property to the exclusion of the Defendants. It is also contended that the Chamber Summons is, in substance, in the nature of Execution Application and the same is grossly barred by law of limitation. It is also contended on behalf of the Plaintiffs that relief in terms of prayer Clause (2) cannot be considered as the Defendants have not challenged the Judicial Order passed on 21st March, 2002 on the basis of which, further steps have been taken. Besides, the Plaintiffs contend that the stand taken on behalf of the Plaintiffs was on the fair interpretation of the Consent Decree that no time limit was prescribed for the deposit to be made by the Plaintiffs. However, time limit was prescribed only with regard to payment to be made to Defendants 2 to 5 in their non-resident account, if it was opened within the stipulated period and not otherwise. It is, therefore, contended that the Plaintiffs bonafide believed that the statement made on affidavit as well as in the praecipe that no time was prescribed for deposit in the Consent Decree is on the basis of such interpretation of the decree and that cannot be faulted with. In so far as the allegation made by the Defendants that the Plaintiffs were fully aware about all the necessary details before taking out Judge's Order before Justice J.A. Patil, and yet asserted on affidavit that certain details in respect of the Defendants were not available, it is contended that the Plaintiffs have taken all

necessary steps from time to time in the present proceedings on the basis of record as available with them in these proceedings. It is therefore contended that it is not possible to attribute motives to the Plaintiffs so as to allege that the Plaintiffs wilfully committed fraud on the Court or the Officer of the Court. It is broadly asserted that no relief either on Clause (1) or Clause (2) of the present Chamber Summons be considered and/or granted to the Defendants.

4. Having considered the rival submissions, two main questions would emerge for consideration. The first is: whether the Prothonotary and Senior Master of this Court was justified in accepting the deposit of Rs. 10,96,000/- on the basis of the praecipe moved by the Plaintiffs? The second questions is: whether the deposit made by the Plaintiffs on the basis of the order passed by the Prothonotary and Senior Master is vitiated because of fraud played on the Officer of the Court? If that is so, whether the subsequent steps taken on the basis of deposit made of unsealing the decree, stamping upto registration, which, undoubtedly based on the Judge's Order dated 21st March, 1992, can be cancelled as prayed in terms of prayer Clause (2) of the Chamber Summons?

5. Reverting to the first aspect as to whether the Prothonotary and Senior Master had committed palpable mistake in allowing the Plaintiffs to deposit the amount in question, it will be apposite to advert to at least two clauses of the Consent Decree. Clause 15 of the Consent Decree reads thus:

"15. ORDERED AND DECREED that the Plaintiffs do pay the balance price of 14,00,000/- in the manner mentioned in Clause 6 above and interest thereon as mentioned in Clause 16 hereinbelow on or before the expiry of fifteen months from the date of the passing of decree, (time for payment being of the essence)."

According to the Defendants, on conjoint reading of the above clauses, the Plaintiffs were obliged to pay balance price of Rs. 14,00,000/- and interest thereon within fifteen months from the date of passing of the decree. Only the modality of payment is spelt out in Clause 17; in that, if Defendants 2, 3 and 5 have opened non-resident account, the Plaintiffs to pay into that account. However, in absence of non-resident account, the Plaintiffs were nevertheless obliged to deposit the subject amount in this Hon'ble Court within the period stipulated in Clause 15 of the Consent Decree. On the other hand, according to the Plaintiffs, Clause 17 was independent of Clause 15. Whereas, fifteen months time has been stipulated only if Defendants 2, 3 and 5 had opened non-resident account and intimation in that behalf is sent to the Plaintiffs. However, it is contended that, the Defendants in this case did not open the non-resident account within the stipulated time, and therefore, there was no liability on the Plaintiffs to pay within the prescribed time. The Plaintiffs further contend that in the event non-resident account was not opened or not informed to the Plaintiffs, in that eventuality, in terms of Clause 17, the Plaintiffs could deposit the subject amount in this Hon'ble Court, without any specific time. Therefore, the order passed by the Prothonotary and Senior Master, on the praecipe made over by the Plaintiffs,

was justified.

6. However, on plain and conjoint reading of the aforesaid two clauses, it is not possible to countenance the claim of the Plaintiffs that there was no time limit specified with regard to the deposit of the amount in Court. For the time being, I am examining the issue on the assumption that the Defendants had not opened the non-resident account within the stipulated time or not informed the Plaintiffs of opening of such accounts, which fact is however, controverted by the Defendants. Be that as it may, for the purpose of considering whether the Prothonotary and Senior Master accepted the deposit under mistaken belief and inconsistent with the Consent Decree, what is required to be noticed is Clause 15 and 17 of the Decree. To my mind, Clause 15 is the provision, which provides for the liability of the Plaintiffs to pay the balance price of Rs. 14,00,000/- and interest thereon within stipulated period of 15 months from the date of passing of the decree. The date of payment is specified in this Clause and it has been further stated that time for payment is the essence of the Consent Terms. Whereas, Clause 17 is not a provision for providing time for payment, but that provision only provides for the mode of payment or deposit to be made by the Plaintiffs, obviously within the stipulated time. It expressly makes reference to "all payments to be made" "under these consent terms to be paid", so as to clothe the liability of the Plaintiffs to pay within the stipulated period in terms of Clause 15. It provides for two different modes. Firstly, if non-resident account is opened by Defendants 2, 3 and 5, the Plaintiffs were obliged to pay the subject amount in those accounts, obviously within fifteen months from the date of the decree. Secondly, in the event, non-resident account was not opened or no intimation was received by the Plaintiffs regarding opening of such account, even then the liability of the Plaintiffs under Clause 15 of making payment of Rs. 14,00,000/- and interest thereon within 15 months was to remain. But in that case, the Plaintiffs could take the liberty of depositing the subject amount in this Court. To put it differently, the Plaintiffs were liable to discharge their obligation of payment either directly in the non-resident accounts of Defendants 2, 3 and 5 if opened, or else to deposit the said amount in this Hon'ble Court. In either case, within 15 months from the date of the decree. If that is so, then, obviously, the Prothonotary and Senior Master had no authority to permit the Plaintiffs to deposit the amount after expiry of fifteen months, that too, on the supposition that the Consent Decree was still subsisting and binding on the parties. For, Clause 23 of the Consent Decree very clearly postulates that on failure to make payment of the balance price and interest thereon within the stipulated time, the Consent Terms to stand cancelled and the Power of Attorney (which has been issued in terms of the Consent Terms) was also to stand revoked and the Suit to stand dismissed with no order as to costs. If this is the purport of Clause 23 then as observed earlier, the Prothonotary and Senior Master could not have accepted the deposit of Rs. 10,96,000/- tendered on the basis of the praecipe dated 12th February, 2002. Obviously, therefore, because of the importer act of the Prothonotary and Senior Master on account of mistaken

belief, the Plaintiffs could deposit the subject amount in this Court. That act is for and on behalf of the Court. It is well settled that an act of the Court shall prejudice no man (Actus Curiae Neminem Gravabit). In such a case, it is the duty of the Court to remedy the mistake and do justice to the parties by placing them in their original position, subsequent steps taken or order of the Court founded on that mistake notwithstanding. A prior, the Defendants would be entitled to the reliefs in terms of the Chamber Summons.

7. On the above reasoning, it will not be necessary for me to go into any other contention, including regarding fraud and misrepresentation caused by the Plaintiffs and their Advocates as canvassed before this court. However, as rightly contended by the Counsel for the Defendants, that aspect would relate to the administration of justice. And, therefore, it would not only be appropriate but necessary for this Court to examine the same. If the said allegations were to be accepted, even in that case, the Court will have to allow the Chamber Summons. It is in this context that I would now proceed to examine the question as to whether the order of deposit passed by the Prothonotary and Senior Master is vitiated on account of wilful misrepresentation and fraud caused by the Plaintiffs and their Advocates.

8. Before I proceed to examine the case as made out by the Defendants in the affidavit-in-support of this Chamber Summons, it will be apposite to advert to the praecipe submitted on behalf of the Plaintiffs by their Advocates before the Prothonotary and Senior Master dated 12th February, 2002. The same reads thus:-

"IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
SUIT NO. 1538 OF 1983

Omprakash Navani and Anr. ...Plaintiffs

v.

Herbert Joseph Pereira and Ors. ...Defendants

To,

The Prothonotary & Senior Master,
High Court,
Bombay.

Madam,

A sum of Rs. 10,96,000/- (Rupees Ten Lakhs Ninety Six thousand only) has become due and payable by the Plaintiffs to the Defendants i.e. to the Defendant No. 2: to Defendant No. 3: and to the Defendant No. 5: aggregating to Rs. 10,95,705.37 as of 15th February, 2001 pursuant to the consent decree dated 18th October, 1984 passed in the above matter.

As contemplated by the said decree, the aforesaid amounts have remained to be paid to the said Defendants on account of the fact that the Defendant No. 2 had expired in or about 1991 and neither the Plaintiff nor the Advocate for the Defendant No. 2 are aware of the whereabouts of the heirs of the said Defendant No. 2. The said heirs have also not approached and/or contacted either the Plaintiff or the Advocate for the Plaintiff for the purpose of receiving the said amount which was due and payable to the said Defendant No. 2. As far as the Defendant No. 3 and 5 are concerned, the said Defendants are also not traceable and have not approached, either the Plaintiff and/or Advocate for the Plaintiffs for receiving the balance amount which is due and payable to them under the said decree. The Advocate for the Defendant No. 3 and 5 have also stated that they are also not aware of the latest whereabouts of the Defendant Nos. 3 and 5. The concerned Defendants are also required to open Non-Resident account as per RBI requirements, and which does not appear to have been done by them in any event thereto no communication thereof to the Plaintiffs. In the circumstances, the various amounts as contemplated by the said consent decree have remained to be paid to the said Defendants.

In these circumstances, as contemplated by Clause 17 of the consent decree, as the Defendant Nos. 3 and 5 have failed to approach and/or contact either the Plaintiff and/or the Advocate for the Plaintiff and have failed to open non-resident account for receiving the said amount/payment, the Plaintiffs have become entitled and to desirous to deposit the said amount in this Hon'ble Court in compliance of and as per and in satisfaction and discharge of the order dated 18th October, 1984.

In view of the aforesaid circumstances, it is prayed that office be directed to receive the said amount of Rs. 10,95,705.37 which is rounded off to Rs. 10,96,000/- which is due and payable to be heirs of the Defendant No. 2 and the Defendant No. 2, 3 and 5 as more particularly stated hereinabove and further be pleased to direct the office to invest the said amount with any Nationalised and/or Scheduled Bank for a period of twelve months and thereafter, continue to reinvest the said amount from time to time for such period as the office may deem fit and proper and till further orders are passed by this Hon'ble Court on the application of the concerned parties.

The amount is being deposited pursuant to the order and directions as contained in the said Consent Decree dated 18th October, 1984. As no time limit is prescribed for depositing the said amount, as per the terms and conditions of the said consent decree, the present deposit is within time.

Dated this 12th day of February, 2002.

Yours faithfully,

For LAW CHARTER

Sd/-

Partner

Advocate for the Plaintiffs

Encl: Pay order for the sum of
Rs. 10,96,000/- in favour
of the "Prothonotary &
Senior Master, High Court, Mumbai."

9. In the affidavit-in-support of this Chamber Summons, the Defendants rightly contend that the statements made in the praecipe that the amounts have remained to be paid to the Defendants on account of the fact that Defendant No. 2 had expired in or about 1991 and neither the Plaintiffs nor the Advocates for Defendant No. 2 are aware of the whereabouts of the heirs of the said Defendant No. 2, is false, to the knowledge of the Plaintiffs and their Advocates. In the first place, the death of Defendant No. 2 in 1991 could not be a cause or justification for non-performance of the obligation of payment of subject amount within fifteen months from the date of the decree, which period was over much prior to 1991. Besides, it is rightly asserted that, since June, 2000, correspondence has been exchanged which clearly concedes the position that the Plaintiffs and their Advocates had complete knowledge about the requisite information of the whereabouts of the heirs of Defendant No. 2. What is significant to note is that it is pointed out that in respect of another litigation between the same parties in respect of building "Mark Haven", in those proceedings necessary amends have been made on the basis that Defendant No. 2 had expired. That is indicative of the fact that the whereabouts of the heirs of Defendant No. 2 were obviously known to the Plaintiffs and their Advocates, as can be discerned from the records in those proceedings. Besides, the affidavit filed on behalf of the Plaintiffs in those proceedings clearly concedes the position about the knowledge of the necessary information and obviously the said affidavit was drafted by the Advocates, who happen to be appearing even in the present proceedings. Moreover, the Plaintiffs filed appeal against the order appointing Court Receiver in the said matter on 19th October, 2001 in which all the necessary information has been disclosed. In other words, it is rightly contended that besides the various communications received from the Advocates for the Plaintiffs, the pleadings filed by the Plaintiffs drawn by the same Advocates in another litigation between the same parties in respect of Mark Heaven building, the information which is stated to be unavailable in the above praecipe, has come forth and has been disclosed therein. If that is so, the stand taken in the praecipe that the Plaintiffs nor their Advocates were aware about the whereabouts of the heirs of Defendant No. 2 is demonstrably false, to the knowledge of the Plaintiffs, and, therefore, a clear case of wilful misrepresentation.

10. Besides, in the said praecipe, it is further asserted tha the heirs of Defendant No. 2 have not approached and/or contacted either the Plaintiffs or their Advocates for

the purpose of receiving the amount, which was due and payable to the said Defendant No. 2. On the above reasoning, even this statement made in the praecipe is obviously false, to the knowledge of the Plaintiffs and their Advocates. Therefore, again a case of wilful misrepresentation with intention to commit fraud, so as to gain advantage over the Defendants.

11. It is further asserted in the praecipe that as far as the Defendant Nos. 3 and 4 are concerned, those Defendants are not traceable and have not approached either the Plaintiffs and/or Advocates for the Plaintiffs for receiving the balance amount which is due and payable to them under the said decree. Again on the above reasoning, this statement will have to be held to be demonstrably false, to the knowledge of the Plaintiffs and their Advocate.

12. The praecipe further records that the Advocates for Defendant Nos. 3 and 5 have also stated that they are also not aware of the latest whereabouts of Defendant Nos. 3 and 5. Once again on the same reasoning, this statement will have to be held to be false, to the knowledge of the plaintiffs and to their Advocates, as the necessary information was very much available with the Plaintiffs and their Advocates and their knowledge of that information is reflected from the pleadings filed by the Plaintiffs, which were drafted by the same Advocates for the Plaintiffs in the companion matter. Accordingly, even this statement has been made to cause misrepresentation and fraud so as to secure order of deposit from the Prothonotary and Senior Master.

13. The praecipe further records that the concerned Defendants were required to open non-resident account as per Reserve Bank of India requirements which did not appear to have been done by them, and in any event, there was no communication in that behalf to the Plaintiffs. In the circumstances, various amounts as contemplated by the said Consent Decree have remained to be paid to the Defendants. Once again, this statement is false, to the knowledge of the Plaintiffs and their Advocates. Inasmuch as, from the pleadings filed before this Court, it appears that the Plaintiffs had issued cheques which were to be paid to the Defendants and indeed, payments were thereafter made into the accounts maintained by the defendants by the Plaintiffs, as can be seen from the letters issued by "Rishi Gagan Trust" dated 12th June, 1986 and dated 22nd November, 1986. Be that as it may, assuming that no account was opened by the Defendants as alleged, the fact remains that the Plaintiffs failed to discharge their liability in terms of the Consent Decree of depositing the amount in Court within fifteen months in terms of Clause 15 read with Clause 17, and, therefore, the consequence under Clause 23 was of dismissal of the Suit and revocation of the Consent Decree. Even in that case, the question of payment being made under the Decree and within time as claimed by the Plaintiffs, is misleading.

14. The praecipe further records that the Plaintiffs have become entitled and are desirous of depositing the said amount in Court in compliance of and in satisfaction

and discharge of the order dated 18th October, 1984 because of the failure of the Defendants to open non-resident account. Even if the Plaintiffs were to be given the benefit of their wrong understanding of the Consent Terms, taking the totality of the tenor of the praecipe, it leaves no manner of doubt that the praecipe presented before the Prothonotary and Senior Master was a well thought move by the Plaintiffs. The document clearly establishes the case of false statements made by the Plaintiffs, so as to persuade the Prothonotary and Senior Master to accept the request for deposit.

15. The praecipe further records that no time limit is prescribed for depositing the said amount as per the terms and conditions of the said Consent Decree and therefore, the present deposit is within time. As observed earlier, the praecipe was moved before the Prothonotary and Senior Master with purpose. To observe sobriety, I would only observe that the praecipe was nothing but a clear case of forum shopping indulged by the Plaintiffs and their Advocates. I am persuaded to make this observation, having regard to the fact that just few days (ten days) before the praecipe was moved before the Prothonotary and Senior Master, the Plaintiffs had taken out Judge's Order before Justice J.A. Patil on 1st February, 2002. No doubt, the record of the said Judge's Order is not available in the office of this Court, but the contents of the affidavit filed in-support of the Judge's Order have been brought on record in the affidavit filed by the Defendants in-support of this Chamber Summons. The Plaintiffs have not denied the fact of having taken out such a Judge's Order, nor the contents of the affidavit as reproduced by the Defendants in the affidavit-in-support are denied by the Plaintiffs. Even in the affidavit filed in-support of the Judge's Order, similar statements, as have been made in the subject praecipe, have been made. The purpose was obvious, but unfortunately for the Plaintiffs, Justice J.A. Patil declined to pass order sought for. By the said Judge's Order, the Plaintiffs had prayed for order that the Prothonotary and Senior Master to accept and/or receive a sum of Rs. 10,96,000/-, being the balance of the decretal amount due and payable by the Plaintiffs to the Defendants as per the said Consent Decree dated 18th October, 1984, inclusive of interest upto 15th February, 2002 in terms thereof in satisfaction, payment and discharge in full of the obligation of the Plaintiff towards the Defendants and the said amount be invested with any Nationalised Bank and/or Scheduled Bank for initial period of twelve months, and thereafter, continue to reinvest the said amount from time to time for such period as the Office may deem fit and proper till further orders. The praecipe moved before the Prothonotary and Senior Master was also intended for the same reliefs and on the same basis. As observed earlier, Justice J.A. Patil declined to pass the order sought for by the Plaintiffs by observing "No order on Judge's Order". It is not necessary for me to go into the reasons as to why that order was passed by the Court. What is, however, intriguing is that although the Plaintiffs moved the Prothonotary and Senior Master for the same reliefs as claimed in the Judge's Order and His Lordship had declined to pass the order sought for, no disclosure has been

made of this fact in the praecipe. Once again, this appears to be a clear attempt of misleading the Officer of this Court so as to obtain order which was, in face, not granted by the Court. If that fact was to be mentioned in the praecipe, obviously the Prothonotary and Senior Master would have declined to pass any order, as the appropriate course would have been to direct the Plaintiffs to move the court for necessary directions, as the matter had already gone before the Court by way of Judge's Order. Moreover, neither before moving the Judge's Order nor while the Office of the Prothonotary and Senior Master was moved by the Plaintiffs, prior notice of that action was given to the Defendants or their Advocates; much less, the known Advocates on record for the Defendants. No such plea has been taken on behalf of the Plaintiffs, nor any just explanation is forthcoming. On the other hand, the Plaintiffs have the temerity to contend that "No order on the Judge's Order" as passed by the learned Single Judge, does not amount to adjudication by the Court and therefore, it was not necessary for the Plaintiffs to disclose that fact in the praecipe. To my mind, this submission deserves to be stated to be rejected. Assuming that the effect of order passed by the learned Judge on 1st February, 2002 in observing "No order on Judge's Order" was of no adjudication by the Court, but nevertheless, if for the same relief, the praecipe was moved on behalf of the Plaintiffs before the Prothonotary and Senior Master, it was imperative for the Plaintiffs to disclose that fact, which is a material fact relevant for examination of the praecipe by the Prothonotary and Senior Master. That fact has been suppressed. Obviously, the inescapable conclusion is that false and misleading statements have not only been made in the affidavit-in-support of the Judge's Order and the praecipe as presented, but the manner in which it has been moved before the Prothonotary and Senior Master, clearly establishes that the Plaintiffs and their Advocates were indulging in forum shopping and caused misrepresentation so as to persuade the Prothonotary and Senior Master to accept the deposit. If that is so, as observed by the Apex Court in S.P. Chengalvaraya's case (Supra), such litigant would deserve no indulgence and should be thrown out at any stage of the litigation. In para 1 of the said decision, it is observed:-

"It is the settled proposition of law that a judgment or decree obtained by playing fraud on the court is a nullity and non est in the eyes of law. Such a judgment/decreed - by the first court or by the highest court - has to be treated as a nullity by every court, whether superior or inferior. It can be challenged in any court even in collateral proceedings."

In paragraph 7 again, the Apex Court has observed:-

"The High Court, in our view, fell into patent error. The short question before the High Court was whether in the facts and circumstances of this case, Jagannath obtained the preliminary decree by playing fraud on the court. The High Court, however went haywire and made observations which are wholly perverse. He do not agree with the High Court that "there is no duty cast upon the plaintiff to come to

court with a true case and prove it by true evidence". The principle of "finality of litigation" cannot be pressed to the extent of such an absurdity that it becomes an engine of fraud in the hands of dishonest litigants. The courts of law are meant for imparting justice between the parties. One who comes to the court, must come with clean hands. We are constrained to say that more often than not, process of the court is being abused. Property-grabbers, tax evaders, bank-loan-dodgers and other unscrupulous persons from all walks of life find the court process a convenient lever to retain the illegal-gains indefinitely. We have no hesitation to say that a person whose case is based on falsehood, has no right to approach the court. He can be summarily thrown out at any stage of the litigation".

In paragraph 9, the Apex court has observed:-

"The facts of the present case leave no manner of doubt that Jagannath obtained the preliminary decree by playing fraud on the court. A fraud is an act of deliberate deception with the design of securing something by taking unfair advantage of another. It is a deception in order to gain by another's loss. It is a cheating intended to get an advantage. Jagannath was working as a clerk with Chunilal Sowcar. He purchased the property in the court auction on behalf of Chunilal Sowcar. He had, on his own violation, executed the registered release deed (Exhibit B-15) in favour of Chunilal Sowcar regarding the property in dispute. He knew that the appellants had paid the total decretal amount to his master Chunilal Sowcar. Without disclosing all these facts, he filed the suit for the partition of the property on the ground that he had purchased the property on his own behalf and not on behalf of Chunilal Sowcar. Non-production and even non-mentioning of the release deed at the trial tantamounts to playing fraud on the court. We do not agree with the observations of the High Court that the appellants-defendants could have easily produced the certified registered copy of Exhibit B-15 and non-suited the plaintiff. A litigant, who approaches the court, is bound to produce all the documents executed by him which are relevant to the litigation. If he withholds a vital document in order to gain advantage on the other side then he would be guilty of playing fraud on the court as well as on the opposite party".

To my mind, the fact situation of the present case would clearly oblige this Court to remedy the mischief caused on account of the misrepresentation and fraud committed by the Plaintiffs and their Advocates. Defendants have rightly relied on the decision of this Court in Ramjisingh's case (Supra), which, following the above Supreme Court Judgment, has taken the view that once the court is satisfied about the fraud committed by the party, then it will be the bounden duty of the Court to exercise its inherent jurisdiction to remedy the mischief if necessary by removing or overlooking the procedural and technical shackles EX DEBITO JUSTITIAE. In this decision, the Court has also restated the settled position that the Courts would not sit on the technicalities to deny the relief to an affected party but, in that situation, it will be the bounden duty of the court to remedy the mischief by invoking the settled

principle recognised by Courts of Law and of equity that no man can take or be allowed to take advantage of his own wrong (NULLUS COMMODOUM CAPERE POTEST DE INJURIA SUA PROPRIA).

16. Having regard to the nature of pleadings before this Court, it is more than evident that the Plaintiffs and their Advocates resorted to all methods which were opposed to the principles of fair play and eventually succeeded in getting the order of deposit from the Prothonotary and Senior Master by causing misrepresentation and playing fraud. Unfortunately, in this entire process, the Advocate for the Plaintiffs has been common in the present proceedings as well as in the companion matters. Although serious allegations have been made even against the Advocates in the affidavit-in-support of the Chamber Summons and also across the bar, at no point of time, the concerned Advocates for the Plaintiffs thought it necessary to controvert the allegations and to state their position. It is not necessary for me to find out as to whether the stand taken by the Plaintiffs is engineered by their Advocates or whether it has been dictated to the Advocates by the Plaintiffs. To my mind, there is substance in the stand taken on behalf of the Defendants that the Plaintiffs and their Advocates were proceedings in the matter with such dexterity that the Defendants or their Advocates on record, as well as the Advocates known to the Plaintiffs and their Advocates, were not informed about the several steps taken on behalf of the Plaintiff from the stage of getting the order of expediting the drawn-up decree until the stage of registration of the decree. This allegation has been substantiated from the record, which is more than sufficient for this Court to infer that the Plaintiffs and their Advocates willfully misrepresented and misled the Officers of this Court at several stages and succeeded in requiring the Officer of this Court to accept the deposit, which was obviously beyond time, and not permissible under the Consent decree. The plea taken on behalf of the Plaintiffs is that neither the High Court (Original Side) Rules or the practice of this Court would obligate the Plaintiffs or their Advocates to give notice to the other side before they had moved the praecipe in question. Moreover, the Plaintiffs contend, to justify their action, that the Defendants had complete knowledge about the Plaintiffs' intention of taking steps to facilitate execution of the decree. There is no substance in this submission. Assuming that the Plaintiffs and their Advocates are right in contending that there is no specific rule that prior notice should be given to the other side before moving the praecipe before the Prothonotary and Senior Master, but as observed earlier, the Plaintiffs and their Advocates have taken several other steps with purpose, as is evident from the circumstances on record. The Plaintiffs did succeed in their evil design and could deposit the subject amount in Court, which deposits, indeed, was not consistent with the Consent Decree. The argument now advanced that on fair reading of the Decree, the Plaintiffs had reason to be misled that no time limit was provide for deposit in Court, only deserves to be stated to be rejected, being afterthought and one of creating a smokescreen for shielding their conduct in the proceedings. The attempt of the Plaintiffs and their Advocates, on the other hand,

was to persuade the Court that the Defendants do not deserve any indulgence because of their conduct and also because of the fact that they were not diligent enough in pursuing the matter, for they have abandoned their claim which has been set-up in the present proceedings by accepting the amounts offered by the Plaintiffs as per the negotiations during the settlement talks. There is no substance even in this submission. There is no dispute that the Plaintiffs offered amount in part by cheque to the Defendants, but as rightly contended on behalf of the Defendants, acceptance of that amount would not mean that the Defendants abandoned their claim under the Decree. In the first place, there is no express pleading much less proof about the factum of waiver or abandonment of the claim by the Defendants. Besides, the amounts so received by the Defendants were not acknowledged by the Defendants towards part satisfaction of the decree, which is obligatory in terms of Order XXI Rule 1 of the Code of Civil Procedure, 1908. If there was no such acknowledgment by the Defendants, assuming that the Defendants had accepted the amount offered by the Plaintiffs referable to the property in question, even then, that would not disrobe the Defendants of their contention that the amount so received, was not by way of part satisfaction of the decree in question. However, as rightly contended on behalf of the Defendants, the amounts so received were in the context of the negotiations between the parties for overall settlement of all the disputes and not confined to the suit property (Joyeden). Moreover, it is seen from the record that, in fact, the said cheques could not be realised, on account of stop-payment instructions issued by the Plaintiffs. In the circumstances, the inescapable conclusion is that the Plaintiffs have not approached the Court with clean hands. Unfortunately, the Advocates on record for the Plaintiffs have not discharged their duty towards the Court, which they were expected to do, but seem to have acted only as the mouth-piece of their Clients (Plaintiffs). As rightly argued on behalf of the Defendants, the Advocate for the Plaintiffs cannot just brush aside their responsibility towards the Court. It will be useful to advert to the enunciation of the Apex court in [E.S. Reddi Vs. Chief Secretary, Government of A.P. and Another,](#) regarding the role and duty of the Advocate. The Apex Court has referred to the English decisions with approval, as is seen from paras 9 to 12, which read thus: "9. We wish we could have rested content with concluding the judgment with the operative portion of our conclusions on the merits of the case but we find with a sense of anguish and heaviness of heart that we have to express our disapproval of the manner in which the arguments were advanced before us on behalf of the applicant T.V. Choudhary. Not only were the arguments advanced with undue vehemence and unwarranted passion, reflecting identification of interests beyond established conventions but were of degrees not usual of enlightened senior counsel to adopt. The majesty of law and the dignity of courts cannot be maintained unless there is mutual respect between the Bench and the Bar and the counsel act in full realisation of their duty to the court alongside their duty to their clients and have the grace to reconcile themselves when their pleas and arguments do not find

acceptance with the court. It is needless for us to say that neither rhetoric nor tempestuous arguments can constitute the sine qua non for persuasive arguments.

10. By virtue of the pre-eminence which senior counsel enjoy in the profession, they not only carry greater responsibilities but they also act as a model to the junior members of the profession. A senior counsel more or less occupies a position akin to a Queen's counsel in England next after the Attorney General and the Solicitor General. It is an honour and privilege conferred on advocates of standing and experience by the Chief Justice and the Judges of this Court. They thus become leading counsel and take precedence on all counsel not having that rank. A senior counsel though he cannot draw up pleadings of the party, can nevertheless be engaged "to settle" i.e. to put the pleadings into "proper and satisfactory form" and hence a senior counsel settling pleadings has a more onerous responsibility as otherwise the blame for improper pleadings will be laid at his doors.

11. Lord Reid in *Rondel v. Worsley* has succinctly set out the conflicting nature of the duties a counsel has to perform in his own inimitable manner as follows:

Every counsel has a duty to his client fearlessly to raise every issue, advance every argument, and ask every question, however distasteful, which he thinks will help his client's case. As an officer of the court concerned in the administration of justice, he has an overriding duty to the court, to the standards of his profession, and to the public, which may and often does lead to a conflict with his client's wishes or with what the client thinks are his personal interests. Counsel must not mislead the court, he must not lend himself to casting aspersions on the other party or witnesses for which there is no sufficient basis in the information in his possession, he must not withhold authorities or documents which may tell against his clients but which the law or the standards of his profession require him to produce. By so acting he may well incur the displeasure or worse of his client so that if the case is lost, his client would or might seek legal redress if that were open to him.

12. Again we Lord Denning, M.R. in *Rondel v. W* would say: He (the counsel) has time and again to choose between his duty to his client and his duty to the court. This is a conflict often difficult to resolve; and he should not be under pressure to decide it wrongly..... [W]hen a barrister (or an advocate) puts his first duty to the court, he has nothing to fear. (words in brackets added).

In the words of Lord Denning:

It is a mistake to suppose that he is the mouthpiece of his client to say what he wants:He must disregard the most specific instructions of his client, if they conflict with his duty to the court. The code which requires a barrister to do all this is not a code of law. It is a code of honour. If he breaks it, he is offending against the rules of the profession and is subject to its discipline....."

No doubt, the observations made in this decision are with reference to the role of the senior counsel in the profession, but nevertheless, similar conduct and behaviour is expected of any member of this profession.

17. In the present case, various pleadings and documents sent by the Advocates for the Plaintiffs have been drafted by them, presumably on the basis of instructions taken from the Plaintiffs. It is, however, inconceivable that the Advocates who drafted various pleadings and documents did not realise the consequence of such a stand, though instructions were given to them by the Plaintiffs. In that sense, the Advocates have also joined hands with the Plaintiffs in taking the indefensible stand which has been taken through out this proceedings. The principle enunciated by the Apex Court in Sanjiv Datta's case (Supra) is that the Advocate who drafts or settles the document, also commits contempt. Applying the same analogy in the matter where the action is vitiated on account of the misrepresentation and fraud committed by the "Plaintiffs on the basis of the draft prepared by the Advocate, it is possible to take the view that the Advocate is also party to the fraud and is responsible for that fraud or misrepresentation. It would be useful to remind ourselves of the observations made by the Apex Court in Sanjiv Datta's case (Supra) of the prevailing alarming situation. In para 19, the Apex Court has observed that-

"Of late, we have been coming across several instances which can only be described as unfortunate both for the legal profession and the administration of justice. It becomes, therefore, our duty to bring it to the notice of the members of the profession that it is in their hands to improve the quality of the service they render both to the litigant-public and to the courts, and to brighten their image in the society. Some members of the profession have been adopting perceptibly casual approach to the practice of the profession as is evident from their absence when the matters are called out, the filing of incomplete and inaccurate pleadings many times even illegible and without personal check and verification, the non-payment of court fees and process fees, the failure to remove office objections, the failure to take steps to serve the parties, et al. They do not realise the seriousness of these acts and omissions. They not only amount to the contempt of the court but do positive disservice to the litigants and create embarrassing situation in the court leading to avoidable unpleasantness and delay in the disposal of matters."

In para 20, the Apex court further called upon the members of the legal fraternity to realise that they were in profession which was solemn and serious occupation. It is a noble calling. Understood thus, this Court will have to do the unpleasant task of recording note of distress regarding the conduct of the Advocates for the Plaintiffs who have been appearing in this case for having participated and joined hands with the Plaintiffs in creating a situation which has led to the present proceedings, of playing fraud on the Officer of this Court.

18. The Counsel for the Plaintiffs had raised various other contentions, but the same are essentially technical objections with regard to the maintainability of the

proceedings. Perhaps raised out of desperation. As I have already observed that once the Court is satisfied about the fact that case of fraud has been made out, then the Court will have to ignore all the technical arguments and remedy the mischief by relegating the parties to their original position. Understood thus, this Court will have no hesitation in allowing the Chamber Summons in terms of prayer Clauses (1) and (2).

19. Learned Counsel for the Plaintiffs, however, contends that even if relief in terms of Clause (1) is granted, Defendants having failed to challenge the order of Justice S.A. Bobde passed on 21st March, 2003, of unsealing the Consent Decree for stamping, the order in terms of prayer Clause (2) of the chamber Summons cannot be entertained. Once again, this is only a technical objection raised on behalf of the Plaintiffs. Besides, to my mind, once I have taken the view that the Plaintiffs committed misrepresentation and fraud on the Prothonotary and Senior Master and persuaded the Prothonotary and Senior Master to accept the deposit and if that action was to be set-aside, then it necessarily follows that all consequential steps which were founded on that action will also stand nullified and ought to be ignored, in law. In other words, the order of unsealing passed on 21st March, 2002 and further directing to send the document for payment of stamp duty and re-sealing, would be of no avail. To put it differently, all the steps posterior to the order passed by the Prothonotary and Senior Master accepting the deposit tendered by the Plaintiffs are deemed to be effaced in law, which would include the act of unsealing, stamping, sealing and registration of the Consent Decree. Accordingly, I find no hesitation in allowing Chamber Summons also in terms of prayer Clause (2).

20. As mentioned earlier, the learned Counsel for the Plaintiffs has relied several other contentions but, to my mind, the same will have no bearing on the above said reasoning recorded by me. Taking that view of the matter, it will not be necessary to burden this Judgment with other contentions though taken in the pleadings and argued at the bar.

21. Accordingly, this Chamber Summons succeeds in terms of prayer Clauses (1) and (2) with exemplary costs, having regard to the conduct of the Plaintiffs as aforesaid, quantified at Rs. 25,000/-. Costs to be paid within two weeks from today. Prayer Clauses (1) and (2) of the Chamber Summons read thus:

"(1) that the Prothonotary and Senior Master be directed to forthwith return to the Plaintiffs, the sum of Rs. 1.96 Lakhs deposited under false pretences in this Court.

(2) that the Prothonotary and Senior Master be directed to forthwith apply for and obtain cancellation of registration of the consent decree dated 18th October, 1984 as a purported conveyance/transfer, and to ensure that all relevant indices are rectified accordingly".

Ordered accordingly.

22. At this stage, learned Counsel for the Plaintiffs prays that the effect of this order be suspended for a reasonable period. Ordinarily, having recorded a finding of fraud established from the record, I would not have entertained this request at the instance of such litigant. However, it is brought to my notice by the Counsel for the Defendants that during the pendency of this proceedings, statement was made on behalf of the Plaintiffs to maintain certain position, the Plaintiffs be bound by that statement, if the indulgence of suspending this order is to be shown. I find substance in this suggestion. Infact, it would be appropriate that the Plaintiffs are not allowed to deal with the property and should be bound by their statement made before this Court on the earlier occasion, till the matter is taken up before the Appeal Court, for which purpose, request for stay is made before me. In the circumstances, the effect of this order is stayed for a period of six weeks from today with clear understanding that the Plaintiffs would be bound by the statement, which has been made earlier before this court and was operating during the pendency of this proceedings. However, this order will not absolve the Plaintiffs from depositing the amount of Rs. 25,000/- towards exemplary costs imposed on the Plaintiffs and that part of the order has come into operation forthwith.

23. All concerned to act on the ordinary copy of this order, duly authenticated by the Personal Secretary/Chamber Registrar.