
Amendment Of Statement Of Claim: Discretion Lies With The Arbitral Tribunal To Allow Even At An Advanced Stage

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Introduction

In *Steel Authority of India Ltd. v. H. R. Construction Pvt. Ltd.*, [C.O. 4004 of 2024] the Calcutta High Court dismissed a civil revision petition challenging an interim award by an arbitral tribunal allowing amendment of claims at an advanced stage of the proceedings. The High Court held that the tribunal had acted within its discretion under Section 23(3) of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") and found no irregularity in the order permitting the amendment.

The petitioner, Steel Authority of India Ltd. (SAIL), had objected to the amendment on the ground that it was sought at the stage of final arguments and would result in delay and prejudice. The arbitral tribunal had nevertheless permitted the amendment, imposed costs on the claimant, and granted liberty to the respondent to file additional pleadings. The High Court affirmed this approach, holding that the amendments did not alter the nature or character of the original claims and were necessary for effective adjudication.

The judgment clarifies the distinction between amendments under the Civil Procedure Code, 1908 ("**CPC**") and those permitted in arbitral proceedings and reinforces the tribunal's procedural autonomy under the framework of the Arbitration Act.

Brief Facts

The dispute arose under a contract between Steel Authority of India Ltd. (SAIL) and H. R. Construction Pvt. Ltd. (the respondent) for execution of certain civil and structural works. The respondent initiated arbitral proceedings, raising multiple claims arising from alleged delays, unpaid bills, and additional work. The arbitral tribunal was constituted, pleadings were completed, and evidence was recorded over the course of the proceedings.

At the stage of final arguments, the respondent filed an application seeking to amend the statement of claim. The proposed amendments included correction of certain numerical figures, addition of clarificatory pleadings, and inclusion of updated calculations. The respondent contended that the amendments were based on records that became available during the proceedings and were necessary to accurately reflect the claims.

SAIL objected to the application, arguing that it was belated and sought to introduce fresh claims under the guise of amendment. It was contended that allowing such amendments at the concluding stage would disrupt the proceedings, require a reopening of issues, and cause prejudice to the respondent's defence.

The arbitral tribunal considered the application and allowed the amendment, noting that it did not change the nature of the dispute and was based on the same contractual relationship. The tribunal imposed costs on the claimant and granted the respondent liberty to file additional pleadings if necessary. Aggrieved by this order, SAIL filed a civil revision petition before the Calcutta High Court under Article 227 of the Constitution of India.

Issues and Submissions

The principal issue before the High Court was whether the arbitral tribunal's decision to allow amendment of pleadings at the stage of final arguments constituted procedural irregularity warranting interference under Article 227 of the Constitution of India. The matter also raised questions about the scope of an arbitral tribunal's discretion under Section 23(3) of the Arbitration Act.

SAIL, the petitioner, submitted that the respondent had already concluded its evidence and arguments, and that the proposed amendment amounted to an attempt to introduce new claims at a belated stage. It was argued that this violated basic principles of natural justice and caused undue prejudice. SAIL further contended that the amendment would necessitate reopening the pleadings and prolong the arbitral process, defeating the purpose of expeditious dispute resolution.

It was also submitted that the tribunal's order was contrary to the principles applicable under the CPC, where late-stage amendments are permitted only in exceptional circumstances. The petitioner contended that the tribunal had failed to properly consider the delay or the nature of the proposed amendments before allowing the application.

In response, the respondent argued that the arbitral tribunal had wide procedural discretion under Section 23(3) of the Arbitration Act and that the amendment was limited in scope. It was submitted that the amendments merely clarified the existing claims and corrected certain figures, without altering the nature or character of the dispute. The respondent also pointed out that the tribunal had safeguarded the petitioner's interest by imposing costs and allowing additional pleadings.

The respondent maintained that the tribunal had acted judiciously and that there was no ground for supervisory interference by the High Court in the absence of manifest illegality or perversity.

Findings of the High Court

The High Court dismissed the civil revision petition and upheld the order of the arbitral tribunal allowing amendment of the statement of claim. It observed that arbitral proceedings are governed by a flexible procedural framework under the Arbitration Act, and that the rigours of the Civil Procedure Code do not apply with full force.

Relying on Section 23(3) of the Arbitration Act, the High Court held that the arbitral tribunal has the discretion to permit amendment of pleadings at any stage, provided it does so in the interest of justice and without causing undue prejudice to the other party. The High Court noted that the amendments sought in this case were largely

in the nature of clarifications and updated quantifications and did not introduce a fundamentally new cause of action.

The High Court rejected the argument that the stage of the proceedings precluded the exercise of such discretion. It held that while delay is a factor to be considered, it is not dispositive. The tribunal had taken into account the stage of the proceedings, imposed costs on the claimant, and offered the respondent the opportunity to file a reply. These procedural safeguards were found to be sufficient to protect the petitioner from any prejudice.

The High Court also emphasised that supervisory jurisdiction under Article 227 is to be exercised sparingly and only in cases of procedural illegality or perversity. No such infirmity was found in the tribunal's order, which was reasoned and within the scope of its statutory authority.

Accordingly, the High Court declined to interfere and allowed the arbitral proceedings to continue with the amended claims.

Comment

The judgment in *Steel Authority of India Ltd. v. H. R. Construction Pvt. Ltd.*, [C.O. 4004 of 2024] affirms the procedural autonomy of arbitral tribunals and provides useful guidance on the permissibility of amending claims at advanced stages of arbitral proceedings. By upholding the tribunal's discretion under Section 23(3) of the Arbitration Act, the High Court reiterated that arbitration is not bound by the technical constraints of civil procedure and must instead be guided by considerations of fairness, efficiency, and flexibility.

The High Court correctly distinguished between amendments that fundamentally alter the nature of the dispute and those that clarify or supplement existing claims. It recognised that in complex commercial disputes, claimants may need to revise calculations or add explanatory content as the record evolves. A rigid approach to amendments would frustrate the arbitral process and risk unjust outcomes based on technical defaults.

The High Court's treatment of the supervisory jurisdiction under Article 227 is also notable. It reinforces the principle that arbitral decisions on procedural matters should not be interfered with unless they disclose clear illegality or perversity. The decision reflects judicial restraint and a commitment to upholding the integrity of arbitral proceedings.

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