

**REPORT OF THE COMMITTEE
TO IDENTIFY THE CENTRAL ACTS WHICH
ARE NOT RELEVANT OR NO LONGER
NEEDED OR REQUIRE REPEAL/
RE-ENACTMENT IN THE PRESENT
SOCIO-ECONOMIC CONTEXT**

**VOLUME I
(PART-II)**

[COPIES OF OPINIONS OF THE FORMER AND PRESENT LD. ATTORNEY GENERALS, COPIES OF CERTAIN JUDGEMENTS OF HON'BLE SUPREME COURT, EXTRACTS OF CONSTITUENT ASSEMBLY DEBATES AND RELEVANT EXTRACTS OF THE COMMENTARY ON RELEVANT PROVISIONS OF THE CONSTITUTION OF THE BOOK TITLED AS "SHORTER CONSTITUTION OF INDIA- 13TH EDITION" PERSUED AND CITED IN THIS REPORT]

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2.	Opinion of the Ld. Attorney General along with views of the Department of Legal Affairs on the Legislative Competence of the Parliament for repealing the State Appropriation Acts enacted by Parliament, repealing the other State Laws made by Parliament and repealing the State laws enacted before the commencement of the Constitution	16.10.2014	6-11
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12.	A copy of the extracts of the book titled as "Shorter Constitution of India- 13 th edition by Shri D.D. Basu"	---	416-476

OUT TODAY

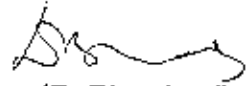
Dy. No.2739/LS/2014
Government of India
Ministry of Law & Justice
Department of Legal Affairs

Shastri Bhavan
Rajendra Prasad Road
New Delhi - 110 001

Date: 29 September, 2014

Ref. Prime Minister's Office ID No. CRA/1/2014/5 dated : 09.09.2014

As desired, a copy of opinion dated 13.12.1999 of Ld. Attorney General Notice in respect of repeal of 700 Appropriation Acts as recommended by the P.C. Jain Commission is enclosed. The said opinion was approved by the then Hon'ble MLJ. A copy of the said note is also enclosed.



(D. Bhardwaj)
Joint Secretary & Legal Adviser
Tel: 2338-4101
FAX: 2338-4505

Encls: As above.

Prime Minister's Office
South Block, New Delhi
[Shri Avinash Kumar Sinha, Staff Officer to Member,
Committee on Review of Administrative Laws]

OPINION

Subject: *Whether it would be desirable or feasible to repeal about 700 Appropriation Acts passed by Parliament from time to time since 1950.*

The Government of India constituted a Commission on Review of Administrative Laws vide Office Memorandum dated 8th May 1998. Paragraph 16.4 of the Report of the Commission contains recommendations for repeal/amendments of laws and regulations. Paragraph 16.4.5 states as follows:

"The Commission also recommends the repeal of about 700 Appropriation Acts passed by Parliament from time to time since 1950 as they are, in terms temporary in nature."

According to the instructions in the Statement of Case, this recommendation of the Commission has been examined by the Ministry of Finance and the Ministry of Law. The Ministry of Finance is not in favour of repeal of these Acts as, according to it, this will remove the legal cover to the disbursements made over the years under the authority of these Acts. The Legislative Department also supports this view. The Department of Legal Affairs, on the other hand, is of the opinion that even if these Appropriation Acts are repealed, acts done under them would be saved by virtue of Section 6 of the General Clauses Act.

The Case for Opinion is referred to me in the aforesaid circumstances.

The basic question to be determined is whether the Appropriation Acts are temporary statutes or permanent statutes.

On a plain reading of the Appropriation Acts it is clear that the same are not of a limited duration by the terms of the statute. There is no period prescribed for their operation whereafter they expire by efflux of time

If one looks at the preamble and the purpose of the Appropriation Act, it is certainly arguable that one feature of these Acts is that their duration is expected to be temporary, in that, these Acts become spent when all the past circumstances with which they are designed to deal have been dealt with. See Francis Bennion: Statutory Interpretation (2nd edn) page 274.

However, the Supreme Court has taken the view that where no fixed duration of Act is specified it is impossible to hold that merely because of the preamble an Act becomes a temporary Act. See Maganti Subramanyam Vs. State of A.P. - 1969 (2) SCC 96 at 98 para 4.

More specifically, in the case of Finance Act the Supreme Court approved the judgement of a Division Bench of the Calcutta High Court in which it was observed that the Finance Acts though annual Acts are not necessarily temporary Acts for they may and often do contain provisions of a general character which are of a permanent operation. See Madurai District Central Co-op Bank Ltd. Vs. I.T.O. - 1975 (2) SCC 454 at 460. In this connection, attention is also invited to G.P. Singh's Principles of Statutory Interpretation (7th edn) page 458.

In view of these Supreme Court pronouncements, the Appropriation Acts cannot be regarded as temporary statutes. Consequently, the appropriate course open to the Government is to enact a comprehensive legislation repealing all Appropriation Acts placed in a schedule to the legislation with an express saving clause in the terms of Section 6 of the General Clauses Act. Such a saving clause would address the apprehensions expressed that the repeal of the Appropriation Acts will render all Finance Accounts/Appropriation Accounts and Audit Reports laid in both Houses of Parliament null and void.

Incidentally, I may mention that the Appropriation Acts do not belong to the category of those obsolete laws whose provisions may be invoked at any time and take a citizen by surprise and cause him hardship and harassment. The Appropriation Acts spend themselves after the particular financial year and the potential of any mischief by their enforcement against a citizen does not arise.

Frankly I cannot see the utility of repealing all these Acts. However, that is a matter of policy for the Government. The legal course open to the Government has been indicated by me above.

In the light of the above, the questions posed for my opinion are answered as under:

Question No.(1) Whether an Appropriation Act will be regarded a temporary Act?

Answer : No.

Question No.(2) Whether the provisions of section 6 of the General Clauses Act would be applicable in case of repeal of an Appropriation Act?

Answer : Yes.

Question No.(3) Whether a simple repeal of the Appropriation Acts would render all the disbursements made and all other acts done under them as having been done without the authority of law or these will be saved by virtue of section 6 of the General Clauses Act?

Answer : An express saving clause would not affect the grants and disbursements and all other acts done under the Appropriation Acts.

Question No.(4) If it is decided to repeal the Appropriation Acts, will it be advisable to incorporate appropriate saving clause in the repealing Act to save the past transactions.

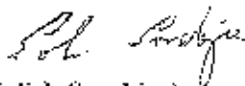
Answer : Yes.

Generally.

I have nothing further to say.

New Delhi

December 13, 1999.


(S. I. Sorabjee)

Attorney General for India

(Ref. pre-page)

The Government of India is examining a proposal to repeal 700 Appropriation Acts passed by Parliament from time to time since 1950. It is a part of the larger exercise to repeal old and obsolete laws. An Appropriation Act is enacted to enable the Government to withdraw money from the Consolidated Fund of India for meeting various expenses in a particular financial year. After the moneys have been withdrawn and disbursed, the purpose of Appropriation Act is over. But, the Ministry of Finance is of the view that in the event of repeal of the Appropriation Acts, the legal cover to the expenditure incurred in the past years and the audit and other statutory reports in relation to them will become devoid of any legal cover. The Legislative Department supported the apprehension of the Ministry of Finance and felt, the Appropriation Acts being temporary Acts, Section 9 of the General Clauses Act would be inapplicable in the event of their repeal, to save past transactions.

2. The matter was, accordingly, referred to the Attorney General for his opinion vide Statement of Case, placed below. His opinion has since been received and is placed below. The AG is of the view that Appropriation Acts are not temporary Acts and, as such, the provisions of Section 9 of the General Clauses Act would be applicable in the event of their repeal. He has also expressed the view that the Appropriation Acts do not belong to the category of those obsolete laws whose provisions might be invoked to harass or to cause hardship to the citizens. He, therefore, does not see any utility in repealing those Acts. According to him, it is a matter of policy to be decided by the Government. He has further stated that, if those Acts are to be repealed, suitable saving clause may be incorporated to save past transactions.

3. If approved, we may forward the above opinion of the Attorney General to the Ministry of Finance.

(A. SINHA)
JS(A) & LA
16.12.99

Law Secretary

Amrta
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MLJ & CA

Amrta
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Law Secy

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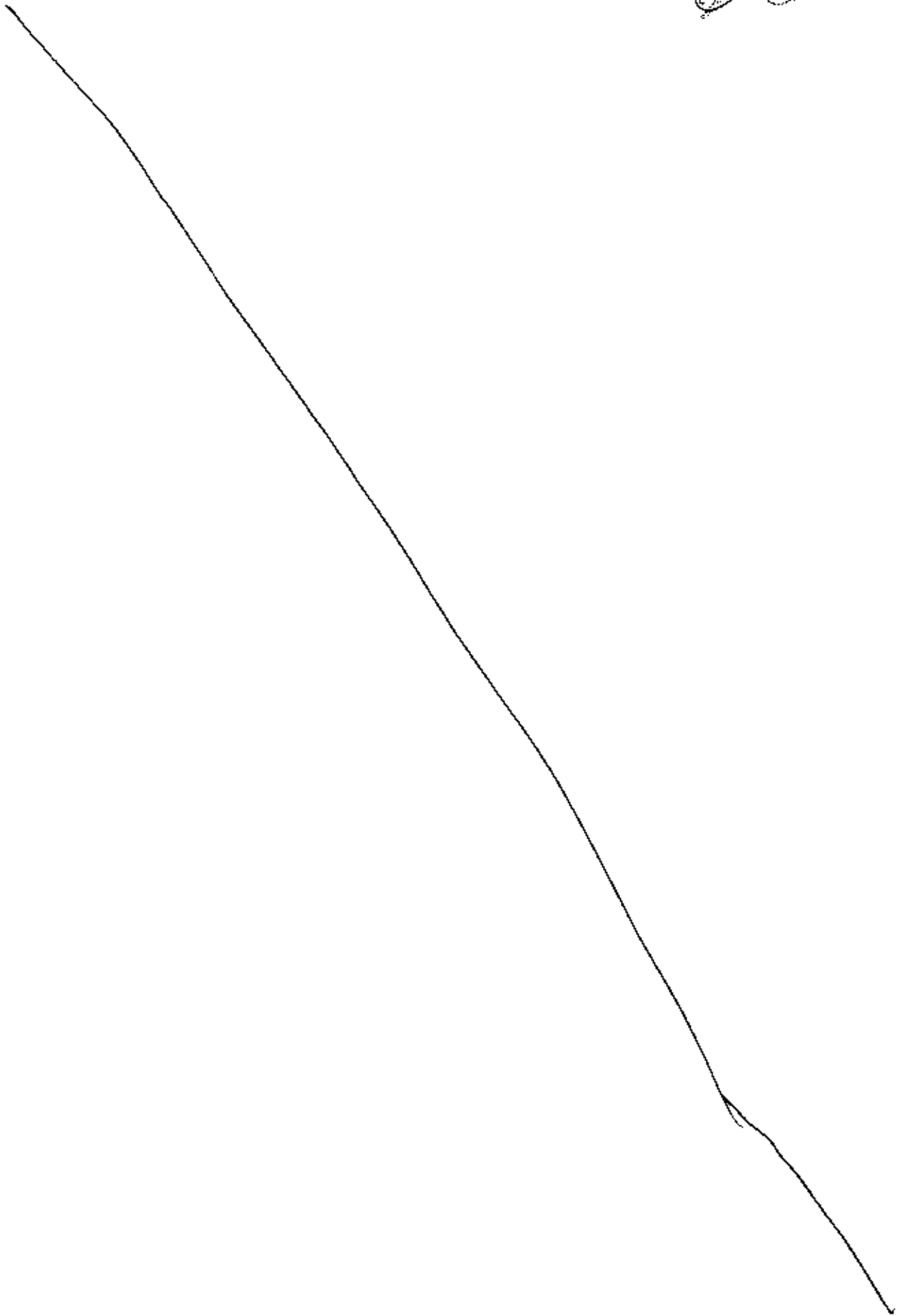
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Finance Ministry

Amrta
21/12/99

Min of L, J, P & Co. Affairs
Dep't of Legal Affairs
J. S. W. J. L. A.
By No. 1772/99

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17/12/99



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F.No.691/LS/2014
Government of India
Ministry of Law & Justice
Department of Legal Affairs

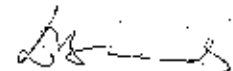
Subj: Repealing of certain Acts by the Parliament – opinion received from Ld. Attorney General.

Ref: Prime Minister's Office ID No. CRA/1/2014 dated 05.09.2014

PMO may refer to their I.D. Note referred to above wherein the opinion was sought on the Legislative competence of the Parliament for :

- i) repealing the State Appropriation Acts enacted by Parliament in pursuance of Articles 204 (1) and 206 of the Constitution read with the proclamation issued under Article 356 in respect of that State;
- ii) repealing the other State laws made by Parliament under Article 250 of the Constitution after proclamation issued under Article 352/356 in respect of that State ceases to operate in that State; and
- iii) repealing the State laws enacted before the commencement of the Constitution and which are still in force.

2. These issues have been examined in this Department in consultation with Ld. Attorney General. A copy of the Note of this Department along with copy of the opinion of Ld. Attorney General (which has been accepted by Hon'ble MLJ) is sent herewith.


(D. Bhardwaj)

Joint Secretary & Legal Adviser

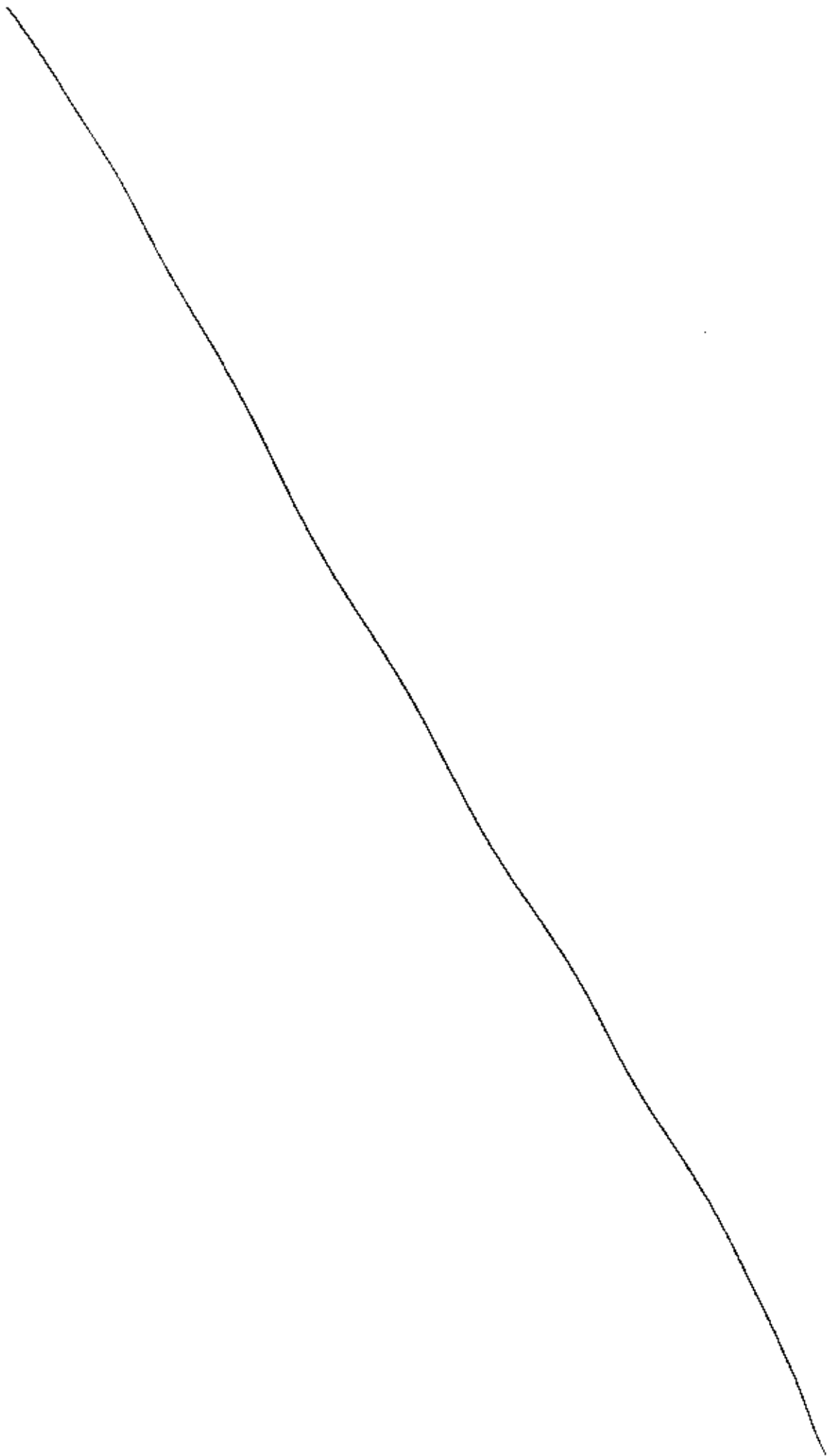
16.10.2014

Tel: 2338-4101

FAX: 2338-4505

Encl: As above.

Prime Minister's Office
South Block, New Delhi
[Shri R. Ramanujam, Secy. to PM]



-7-

Ministry of Law and Justice
Department of Legal Affairs

FTS No. 2691/LS/2014

Sub: Repealing of certain Acts by the Parliament.

Ref: Prime Minister's Office ID No. CRA/1/2014
dt. 05.09.2014

Prime Minister's Office vide their above mentioned ID Note has requested this Department to advise on the Legislative competence of Parliament for

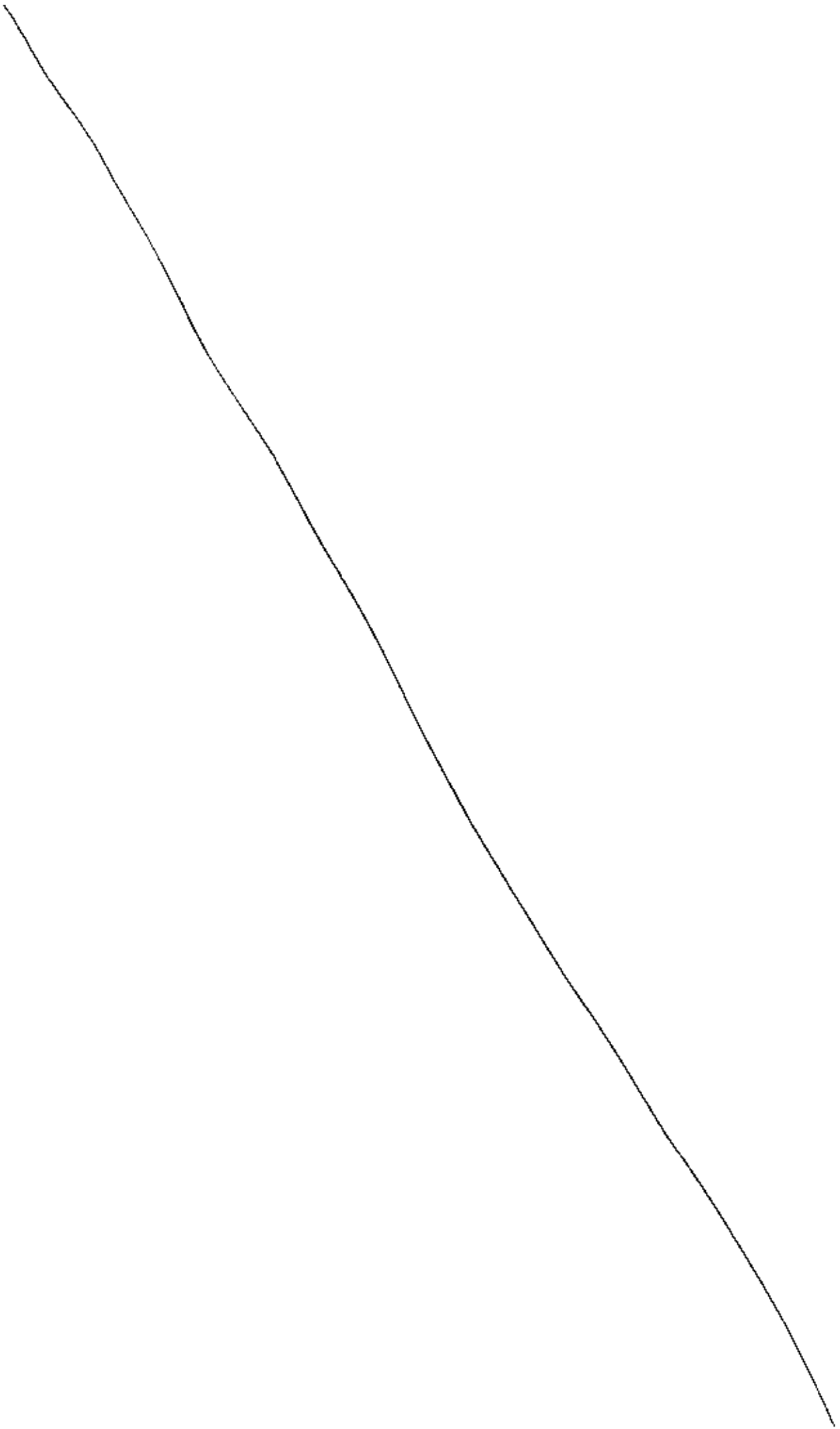
(i) Repealing the State Appropriation Acts enacted by Parliament in pursuance of Articles 204 (1) and 206 of the Constitution read with the proclamation issued under Article 356 in respect of that State.

(ii) Repealing the other State laws made by Parliament under Article 250 of the Constitution after the proclamation issued under Article 356 in respect of that State ceases to operate in that State.

(iii) Repealing the State laws enacted before the commencement of the Constitution and which are still in force.

2. Issue (i) & (ii) **Repealing the State Appropriation Acts enacted by Parliament and other State laws made by Parliament under Article 250 of the Constitution enacted during the period when the proclamation under Article 356 was issued:**

As per Article 356 (1)(b) of the Constitution, the President may issue a proclamation declaring that the powers of the Legislature of a State shall be exercisable by or under the authority of Parliament. Duration of such proclamation is prescribed in clause (4) of Article 356. Therefore, during the period when the proclamation under Article 356 (1) is issued by the President in respect of a State, the Legislative functions for that State can be carried out by the Parliament. Article 357 specifically provides for exercise of Legislative powers under proclamation issued under Article 356. In Clause (2) of Article 357, it is provided that any law made by the Parliament in exercise of power of the Legislature of a State shall continue in force until altered or repealed or amended by the competent Legislature or other authority. Clause (2) of Article 357 reads as under:



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- 8 -

357-Exercise of legislative power under proclamation issued under Article 356.-

(1).....

(2) Any law made in exercise of the power of the Legislature of the State by Parliament or the President or other authority referred to in sub-clause (a) of Clause (1) which Parliament or the President or such other authority would not but for the issue of Proclamation under Article 356 have been competent to make shall, after the Proclamation has ceased to operate, continue in force until altered or repealed or amended by a competent Legislature or other authority.

3. Clause (2) of Art. 357 provides that though the Parliament shall cease to have the power to legislate relating to State subject on the revocation of the proclamation, the laws made during the subsistence of the proclamation shall continue to be in force unless and until they are altered or repealed by the State Legislature. In other words, an express negative act from the State Legislature shall be necessary to put an end to the operation of laws made by the Parliament, the powers of a State Legislature relating to the State list in the 7th Schedule. As per Article 204 and 206 State Legislature is the competent Legislature to make Appropriation Acts and Acts relating to Vote on Accounts. Therefore, laws made by the Parliament relating to State Appropriation Acts during the period of Proclamation under Article 356 can only be repealed by a competent Legislature and competent Legislature in those matter is the State Legislature.

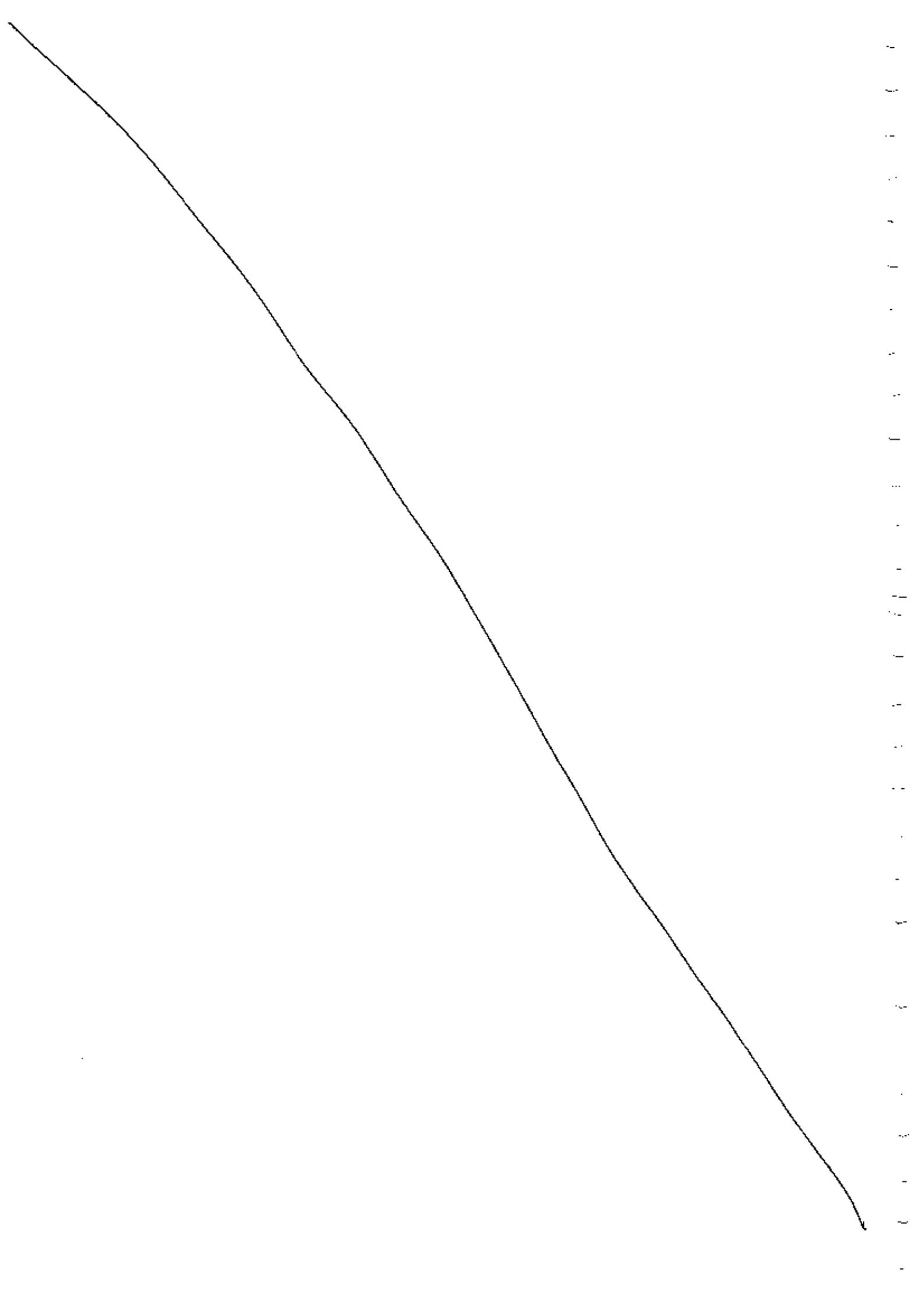
4. (ii) **Laws made by Parliament under Article 250:**

Article 250 empowers the Parliament to legislate with respect to any matter in the State List when a Proclamation of Emergency is under operation. Clause (2) of Article 250 provides for duration of such law made by the Parliament. Article 250 reads as under;

250. Power of Parliament to legislate with respect to any matter in the State list if a Proclamation of Emergency is in operation.-

(1) Notwithstanding anything in this Chapter, Parliament shall, while a Proclamation of Emergency is in operation, have power to make laws for the whole or any part of territory of India with respect to any of the matters enumerated in the State list.

(2) A law made by Parliament which Parliament would not but for the issue of a Proclamation of Emergency have been competent to make shall to the extent of the incompetency, cease to have effect on the expiration of a period of six months after the Proclamation has ceased to operate, except



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as respects things done or omitted to be done before the expiration of the said period.

5. The Proclamation of Emergency referred to in Article 250 is the Proclamation issued under Article 352 of the Constitution and not in respect of Article 356. As per Clause (2) of Article 250, the Act, so passed by the Parliament under Clause (1) shall die out with the revocation of Proclamation of Emergency except as things done or omitted to be done before the expiration of the said period. The law made by Parliament under Article 250 is a temporary Statute which expires on the expiry of a specified time. Therefore, the laws made by the Parliament on the State subject in terms of Article 250 automatically become ineffective after the expiry of period mentioned in Clause (2) of Article 250.

6. **Issue (iii) Repealing State laws enacted before the commencement of the Constitution and which are still in force:**

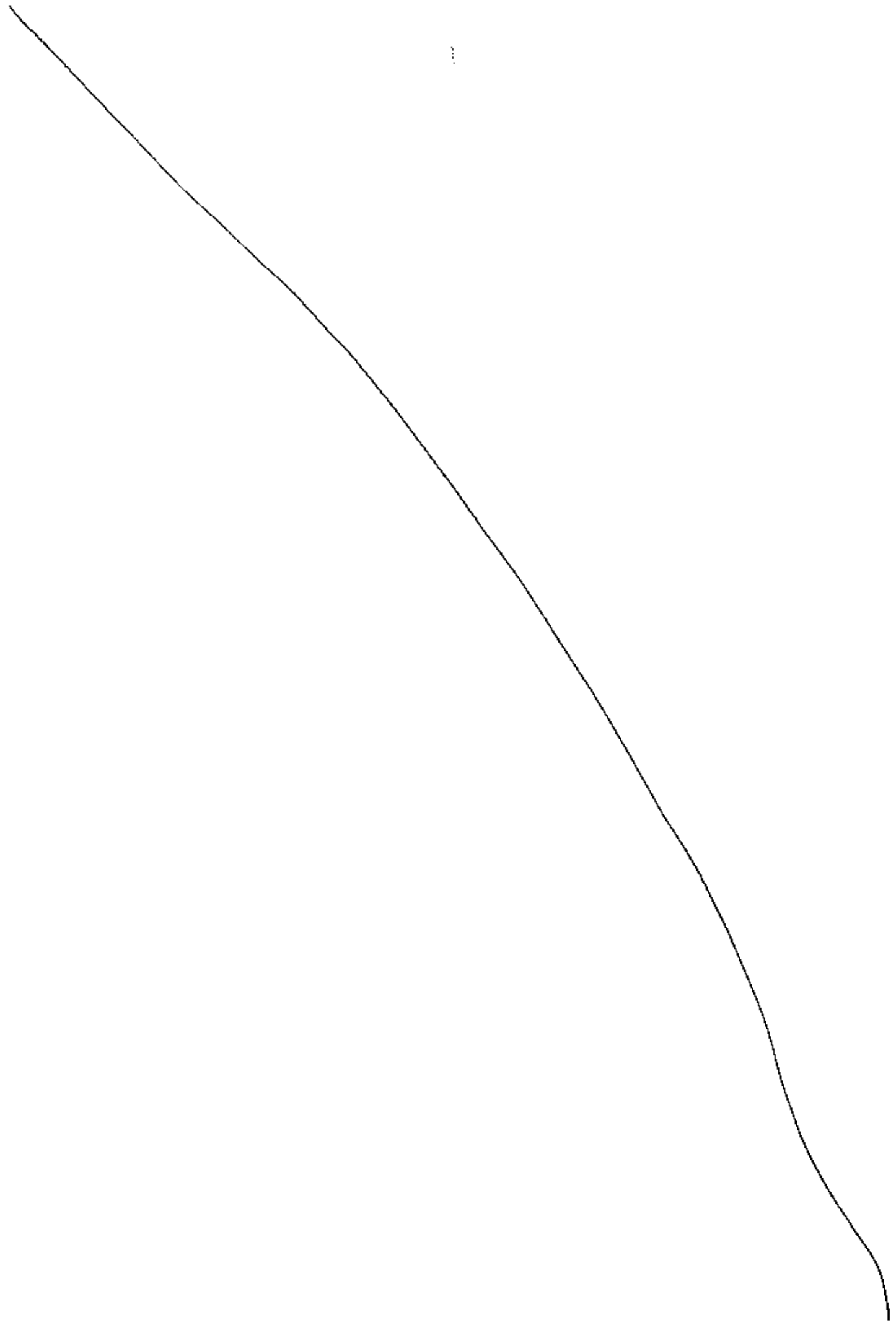
Article 372 of the Constitution provides for continuance of law which was in force before the commencement of the Constitution. As per Clause (1), these pre-Constitutional laws shall continue in force until altered or repealed or amended by the competent Legislature or other competent authority. Clause 1 of Article 372 reads as under:

372. Continuance in force of existing laws and their adaptation.

(1) Notwithstanding the repeal by this Constitution of the enactments referred to in Article 395 but subject to the other provisions of this Constitution, all the law in force in the territory of India immediately before the commencement of this Constitution shall continue in force therein until altered or repealed or amended by a competent Legislature or other competent authority."

7. As provided in Article 372, any alteration or amendment in the pre-Constitutional laws can only be made by the Legislature competent to enact such a law in terms of 7th Schedule of the Constitution. If the subject matter of the pre-Constitutional State law falls under any entry of the State List then the competent Legislature to repeal the said law would be the State Legislature. Therefore, the power to repeal pre-Constitutional laws would depend upon the subject matter of such State law. This has been explained by the Supreme Court in *Kerala SEB v. Indian Aluminium Co. Ltd.*, (1976) 1 SCC 466 in following words:

"An existing law continues to be valid even though the legislative power with respect to the subject-matter of the



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existing law might be in a different list under the Constitution from the list under which it would have fallen under the Government of India Act, 1935. But after the Constitution came into force an existing law could be amended or repealed only by the legislature which would be competent to enact that law if it were to be newly enacted."

8. The Law Commission in its recent Report No. 248 on "Obsolete Laws: Warranting Immediate Repeal" (Sep. 2014) has also discussed this aspect. The Law Commission, after considering provisions of Art. 372 and case laws has stated that if the subject of a pre-constitutional law falls within the State List, the State Legislature is the competent legislature repeal that Act.

9. However, since the issues raised by Prime Minister's Office are related to interpretation of Constitution and having far reaching consequences, if approved, we may request the Ld. Attorney General to give his considered opinion on the following issues:

(i) Whether Parliament can repeal the State Appropriation Acts enacted by Parliament in pursuance of Articles 204 (1) and 206 of the Constitution read with the proclamation issued under Article 355 in respect of that State.

(ii) Whether Parliament can repeal the other State laws made by Parliament under Article 250 of the Constitution after the proclamation issued under Article 352/356 in respect of that State ceases to operate in that State.

(iii) Whether Parliament can repeal the State laws enacted before the commencement of the Constitution and which are still in force.

(iv) *Summily*
Submitted for kind approval pl.

mich
24.9.14
(Mahendra Khandelwal)
Additional Govt. Advocate
Dated: 24.09.2014

JS & LA (Shri. D. Bhardwaj)

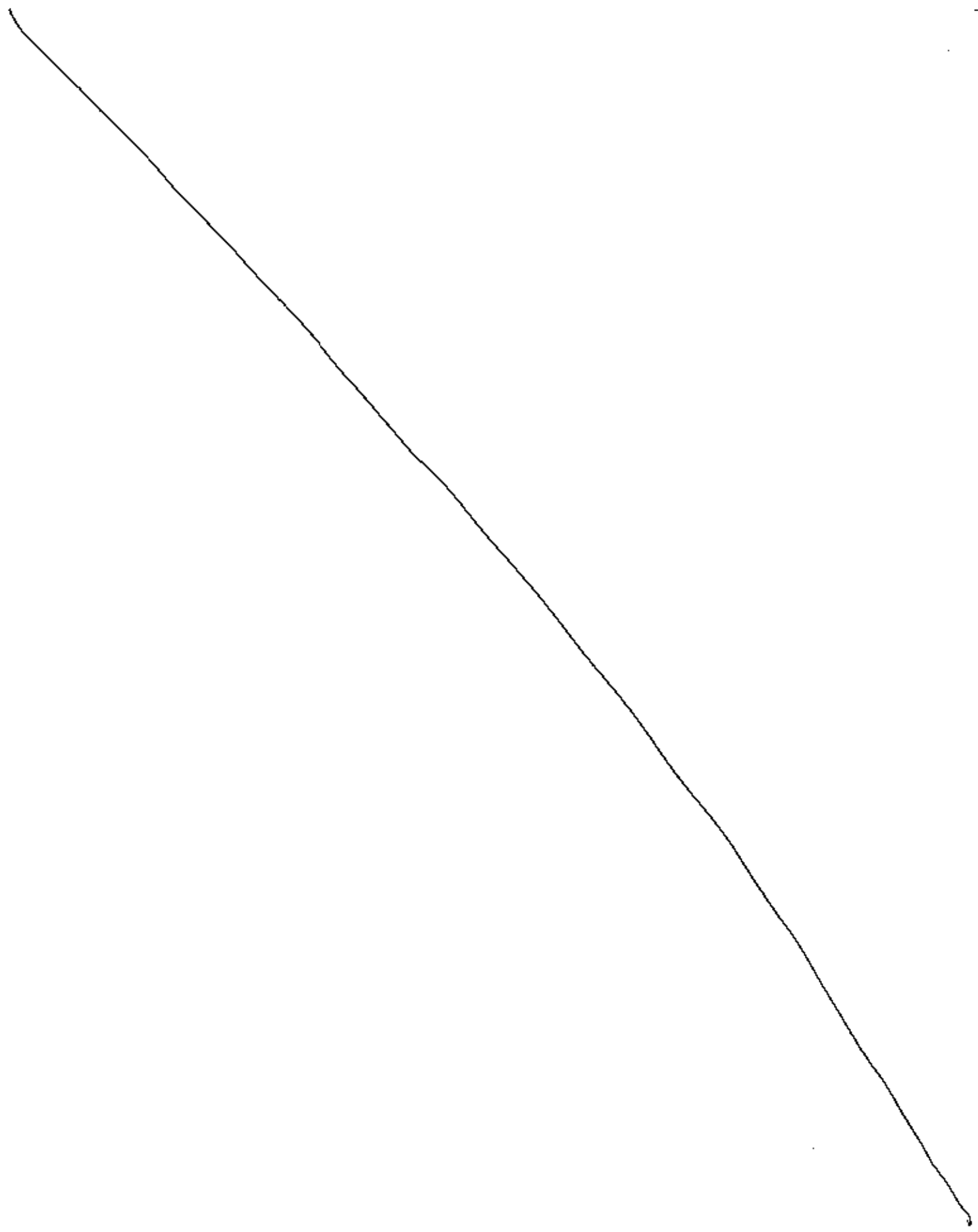
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LS
ALCO
Law Secretary
(S. Singh)

26/9/14
24-09-14

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Ref M.L.J.'s minute at pre-2014

This may be placed before the Ld AG for his considered opinion.

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30/09/2014

PPS to Ld AG

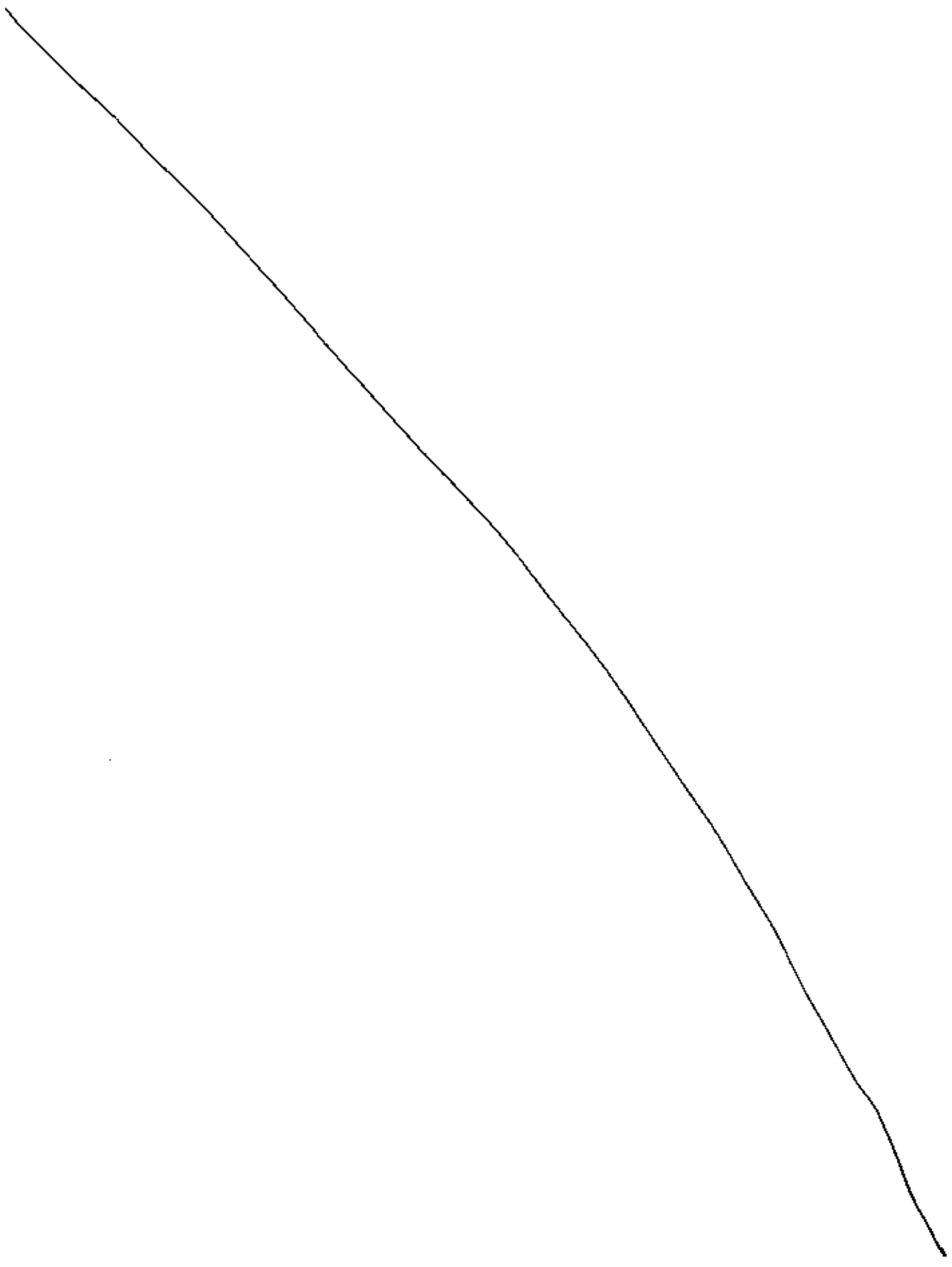
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I have seen the note dt
24/9/14 of Sr M. Khurshid Ahs.
I concur with his opinion on
laws made by Parliament during
proclamation of Emergency under
Art 352 as also in the fact
situation of Art 356. Even if
pro-constitution laws they can be
repealed by 372 by the
competent legislature.

Mushtaq
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ACT NO. XI OF 1901.

PASSÉD BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.
(Received the assent of the Governor General on the 26th October, 1901.)

An Act to facilitate the citation of certain enactments and to amend and repeal certain obsolete enactments.

WHEREAS it is expedient to facilitate the citation of the enactments specified in the first schedule to this Act;

And whereas it is also expedient that certain formal amendments should be made in the enactments specified in the second schedule to this Act;

And whereas it is also expedient that certain enactments specified in the third schedule to this Act, which are spent, or have ceased to be in force otherwise than by express specific repeal, or have by lapse of time or otherwise become unnecessary, should be expressly and specifically repealed;

It is hereby enacted as follows:

1. (1) This Act may be called the Repealing and Amending Act, 1901; and

(2) It shall come into force at once.

2. Each of the enactments specified in the first three columns of the first schedule may, without prejudice to any other mode of citation, be cited for all purposes by the short title mentioned in that behalf in the fourth column thereof.

3. (1) The enactments specified in the second schedule shall be modified to the extent and in the manner mentioned in the fourth column thereof.

(2) The enactments specified in the third schedule are hereby repealed to the extent mentioned in the fourth column thereof.

4. The

4. Where repeal by this Act of any enactment shall not affect any Act or Regulation in which such enactment has been applied, incorporated or referred to;

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred, or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed, recognized or derived by, in or from any enactment hereby repealed;

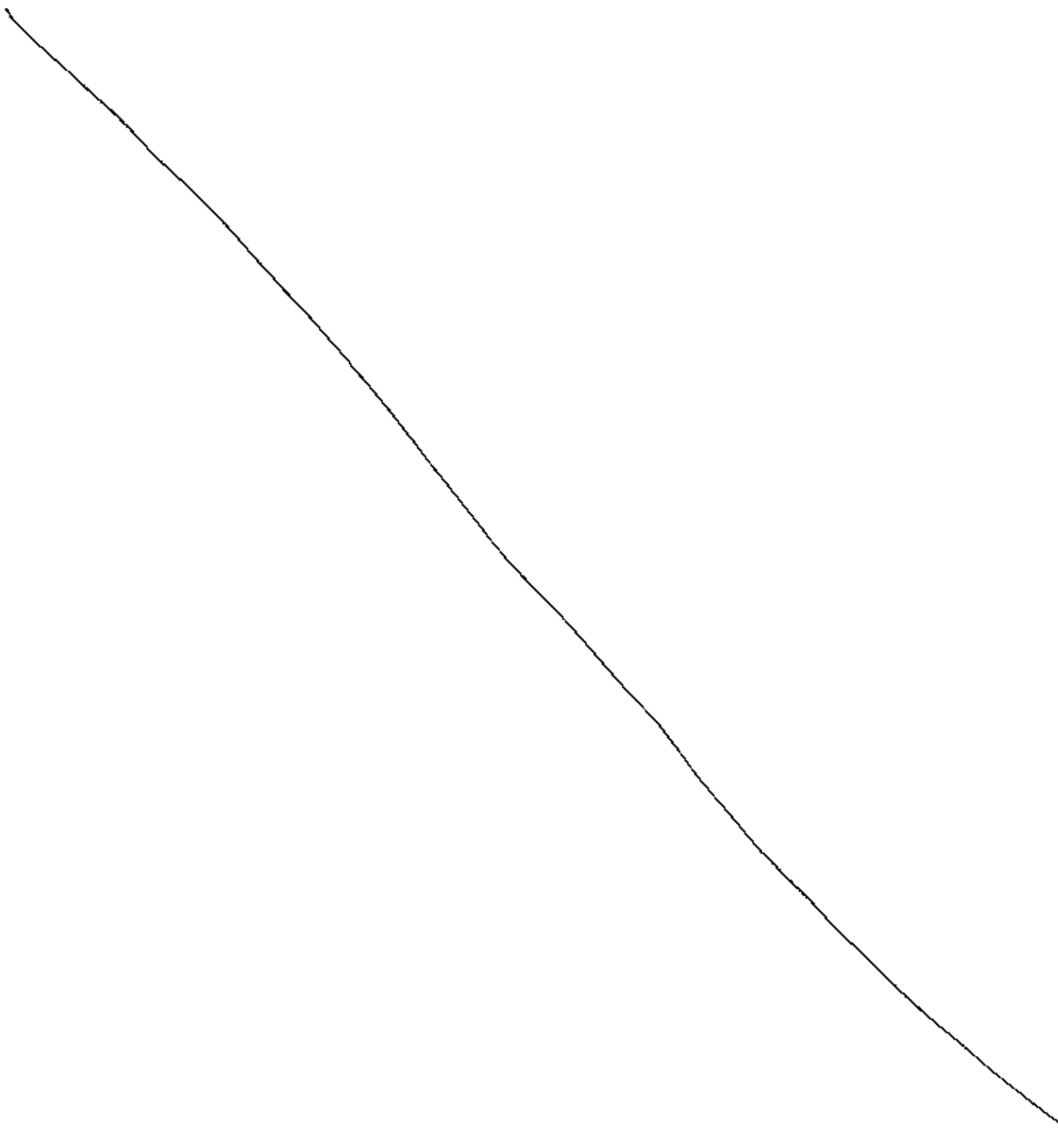
nor shall the repeal by this Act of any enactment provide, or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

Titles and commencement.

Citation of enactments.

Enactments amended and enactments repealed.

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- 13 -

ACT NO. I OF 1903.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.
[Received the assent of the Governor General on the 6th March, 1903.]

AN Act to facilitate the citation of certain enactments, to amend certain enactments and to repeal certain other enactments.

WHEREAS it is expedient to facilitate the citation of the enactments specified in the first schedule thereof;

And whereas it is also expedient that certain formal enactments should be made in the enactments specified in the second schedule to this Act;

And whereas it is also expedient that certain enactments specified in the third schedule to this Act, which are spent, or have ceased to be in force otherwise than by express express repeal, or have by lapse of time or otherwise become unnecessary, should be expressly and specifically repealed;

It is hereby enacted as follows:—

1. This Act may be called the Repealing and Short title Amending Act, 1903.
2. Each of the enactments described in the first three columns of the first schedule may, without prejudice to any other mode of citation, be cited for all purposes by the short title mentioned in that behalf in the fourth column thereof.
3. The enactments specified in the second schedule are hereby amended to the extent and in the manner mentioned in the fourth column thereof.
4. The enactments specified in the third schedule are hereby repealed to the extent mentioned in the fourth column thereof.
5. The

1903.]

5. The repeal by this Act of any enactment shall not affect any Act or Regulation in which such enactment has been applied, incorporated or referred to;

and this Act shall not affect the validity, investiture, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred, or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usages, customs, privileges, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed, recognized or derived by, in or from any enactment hereby repealed;

nor shall the repeal by this Act of any enactment provide or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

1903.]

Repeat and Amendment.
THE FIRST SCHEDULE.
SACRED OFFICES.
(See section 2.)

No.	Title or subject.	Short title.
1		
2		
3		
4		

Part I.—Regulations of the Bengal Code.

XIX.

A Regulation for re-enacting, with modifications, the rules passed by the Government General in Council on the 1st December, 1790, for trying the validity of the titles of revenue holding, or otherwise a right to hold, lands exempted from the payment of revenue for Government, under grants not being of the description of those termed *haddidat* or *iyasat*; and for determining the amount of the annual assessment to be imposed on lands so held which may be adjudged or become liable to the payment of public cesses.

The Bengal Revenue-Free Lands (Provisional) Regulation, 1790.

XXXVII.

A Regulation for re-enacting, with modifications, the rules passed on the 23rd April, 1789, and subsequent orders for trying the validity of the titles of persons holding or claiming a right to hold *Alkhatas*, *ijerats* and other lands exempted from the payment of public revenue, under grants termed *haddidat* or *iyasat*; and for determining when certain grants of that description shall be considered to have expired; and for fixing the amount of the public revenue to be assessed upon the lands the grants for which may expire as the subject thereof.

The Bengal Revenue-Free Lands (Provisional) Regulation, 1792.

THE FIRST SCHEDULE--contd.

1	2	3	4
Year.	No.	Title or subject.	Short title.
1794	III	A Regulation for securing the process by which the debts are to be cleared payment of arrears; and for enabling the Collectors to recover from Native officers employed under them public money as papers which they may amass or retain.	The Bengal Native Revenue-officers Regulation, 1794.
1795	I	A Regulation for fixing a perpetuity the revenue assessed on the lands in the Province of Benares; for the more general regulation of the ancient zamindars.	The Benares Permanent Settlement Regulation, 1795.
"	XV	A Regulation for vesting certain cases to the decision of the Raja of Benares.	The Benares Enamly Zamindar Regulation, 1795.
"	XXXVII	A Regulation declaratory of certain reservations made by Government, and of rights preserved in the provinces of landed estates, under the Permanent Settlement of the land-revenue made in the Province of Benares; for allowing of the transfer or division of entire estates or portions of estates; and providing rules for appraising the dead jama on the several shares of estates which may be divided, or portions of estates which may be transferred.	The Benares Permanent Settlement (Supplemental) Regulation, 1795.
"	XLIV	A Regulation for removing certain restrictions to the operation of the Hindu and Mahomedan laws with regard to the inheritance of landed property subject to the payment of revenue in Government in the Province of Benares.	The Benares Inheritance Regulations, 1795.

Part I.--Regulations of the Bengal Code--contd.

1	2	3	4
Year.	No.	Title or subject.	Short title.
1796	VIII	A Regulation for registers of estates paying revenue, and lands held exempt from the payment of revenue.	The Bengal Revenue-free Lands Regulation, 1800.
1801	I	A Regulation to explain and amend the rules for the division of joint estates and allotment of the fixed assessment thereupon.	The Bengal Land-revenue Assessment Regulation, 1801.
1803	XXXVII	A Regulation for preventing the endorsement of public money and the withholding of public papers by the Native officers of Government in the Provinces ruled by the Nawab Wazir to the Hon'ble the English East India Company.	The United Provinces Native Revenue-officers Regulation, 1803.
1805	XII	A Regulation for the collection and collection of the Public revenue in the Zillahs of Cuttack, including the Parganas of Puri, Khandagiri and Beguni, as present included in the Zilla of Midnapur.	The Cuttack Land-revenue Regulation, 1805.
"	XIII	A Regulation for the maintenance of the peace and for the support and administration of the Police in the Zilla of Cuttack, and for amending certain provisions contained in Regulation IV, 1804.	The Cuttack Police Regulation, 1805.

Part I.--Regulations of the Bengal Code--contd.

A Regulation to prevent fraud in the Bengal Land (Conditional Sales) Regulation, 1798.

The Bengal Revenue-free Lands Regulation, 1800.

The Bengal Land-revenue Assessment Regulation, 1801.

The United Provinces Native Revenue-officers Regulation, 1803.

The Cuttack Land-revenue Regulation, 1805.

The Cuttack Police Regulation, 1805.

THE FIRST SCHEDULE—contd.

1	2	3	4
Year.	No.	Title or subject.	Short title.

Part I.—Regulations of the Bengal Code—contd.

1806	XVII	A Regulation for extending the Provision of Berres to the sales of interest on fairs, loans, and provisions relative thereto, as in Regulation Xv, 1795; also for a general extension of the period fixed by Regulations I, 1798, and XXXIV, 1803, for the redemption of mortgages and conditional sales of land, under deeds of bailiwick, impleads or other similar designation.	The Bengal Land Revenue and Public Buildings and Banks Regulation, 1806.
1810	XIX	A Regulation for the appointment of magistrates and other persons for the maintenance and repair of bridges, wells, tanks and other public buildings; and for the custody and disposal of waste property or enclosures.	The Bengal Charitable Institutions and Banks Regulation, 1810.
1812	V	A Regulation for amending some of the rules at present in force for the collection of the land-revenue.	The Bengal Land-revenue Rules Regulation, 1812.
"	XVIII	A Regulation for amending section 2, Regulation V, 1812, and regulating sections 3 and 4, Regulation XLIV, 1798, and sections 3 and 4, Regulation I, 1795, and amending other rules therein.	The Bengal Taxes and Land-revenue Regulation, 1814.
1814	XXIX	A Regulation for the settlement of certain lands in the District of Darbhanga, usually denominated the Ghawali lands.	The Bengal Ghawali Land Regulation, 1814.

THE FIRST SCHEDULE—contd.

1	2	3	4
Year.	No.	Title or subject.	Short title.

Part I.—Regulations of the Bengal Code—contd.

1816	V	A Regulation for establishing the office of Kanungo in the district of Cuttack, the persons of Patna, and the several persons dependent on it.	The Bengal Kanungo Regulation, 1816.
"	IX	A Regulation for the appointment of a Commissioner of Revenue within that portion of the districts of the Gwalpurgur, Nuddea, Jessore and Bankergunge commonly denominated the Suckahonee.	The Sunderbore Regulation, 1810.
1817	XII	A Regulation for appointing the holder administering at the office of Tahsildar in the Ceded and Conquered Provinces, the Provinces of Bahor and Bhorag, the district of Cuttack, the province of Patna and its dependencies.	The Bengal Patna Regulation, 1817.
"	XX	A Regulation for reducing into one Regulation, with amendments and modifications, the several rules which have been passed for the collection of duties and other revenues at the office of police.	The Bengal Police Regulation, 1817.
1819	I	A Regulation for re-establishing the office of Tahsildar throughout the Province of Bengal; and for explaining and modifying certain parts of Regulation XII, 1817.	The Bengal Kanungo and Tahsildar Regulation, 1819.

THE FIRST SCHEDULE—contd.

Year.	No.	Title or subject.	Short title.
1819	II	A Regulation for amending the provisions contained in the existing Regulations regarding the management of the revenue of lands held free of assessment under illegal or invalid tenures and for defining the right of Government to the revenue of lands not included within the limits of estates for which a settlement has been made.	
1821	IV	A Regulation for explaining the duties of an Assistant Collector of Revenue, and for defining the duties and powers vested in Assistant Collectors or other officers appointed to the charge of the revenues of parganas or other local divisions, as employed in the performance of any part of the functions ordinarily belonging to the Collectors of land-revenue.	The Bengal Land-revenue (Assistant Collectors) Regulation, 1821.
1822	III	A Regulation for modifying the constitution and altering the jurisdiction of the several Boards vested with the superintendence of the land-revenue in the territories belonging to the Presidency of Fort William.	The Bengal Board of Revenue Regulation, 1822.
"	VII	A Regulation for amending the principles according to which the settlement of the land-revenue in the United Provinces, including Oudh, Malabar, and its dependencies, is to be hereafter made, and the powers and duties belonging to Collectors or other officers employed in making, striking or superintending settlements; for defining, settling	The Bengal Land-revenue Settlement Regulation, 1822.

Part I.—Regulations of the Bengal Code—contd.

Year.	No.	Title or subject.	Short title.
1822	VII - contd.	and regarding the rights and obligations of various classes and persons possessing an interest in the land, arising in the rent or produce thereof; and for vesting the Revenue-authorities with judicial cognizance in certain cases of substantial claims relating to land, the rent and produce of land.	
"	XI	A Regulation for despatching Government and its liable for any arrests or proceedings in the proceedings of the Courts of Justice; and for making further provision for the conduct of the Revenue-officers in certain cases.	The Bengal Government Fodder-duty Regulations, 1822.
1823	VI	A Regulation for authorizing the institution of summary suits to enforce the execution of certain settlements, or payments for the cultivation and delivery of the crops, and for declaring certain privileges in regard to the same.	The Bengal Indigo Contracts Regulation, 1823.
1825	XI	A Regulation for extending the operation of Regulation VII, 1822; for authorizing the Revenue-officers to let in lands, estates under temporary leases, on the death of the original tenant, or to hold the same for a term of years; for modifying and adding to the rules mentioned in Regulation XI, 1819; and for making certain other amendments in the existing Regulations.	The Bengal Land-revenue Settlement Regulation, 1825.

THE FIRST SCHEDULE—contd.

1	2	3	4
Year.	No.	Type or subject.	Short title.

Part I.—Regulations of the Bengal Code—contd.

1825	XIII	A Regulation to prohibit the settlement made for certain lands held exempt from the payment of revenue by Khandays in the Provinces of Bihar; and to provide for the future settlement of such lands, as well as of the lands occupying other retained Khairi lands, with the present occupants, when so directed by Government.	The Bengal Land-revenue Settlement (Revenue Khandays' and Revenue-free Lands) Regulation, 1825.
"	XIV	A Regulation to declare the extent of the authority possessed by the Revenue authorities, subordinate to the Governor General in Council, in the settlement of Khairi lands; to define the principles to be followed in determining on the rates and validity of Grants made by persons exercising authority in different quarters, particularly to the acquisition of the country by the British Government; and to provide for the due application of the general laws and regulations respecting lands held free of assessment to the territory ceded by Ghiring Rida to the British Government, and annexed to the title of Jambhuland, under the provisions of Regulation II, 1818.	The Bengal Revenue-free Lands Regulation, 1825.
1828	XIII	A Regulation for the appointment of Special Committees for the speedy hearing and determination of appeals from the decisions of the Revenue authorities in regard to lands or rents occupied or	The Bengal Land-revenue Assessment (Cases and Appeals) Regulation, 1828.

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THE FIRST SCHEDULE—contd.

1	2	3	4
Year.	No.	Type or subject.	Short title.

Part I.—Regulations of the Bengal Code—contd.

1828	III	collected by individuals, without payment of the rates as demanded by Government, and the Generalist of the survey; and for otherwise more effectually securing the protection of the public Reas.	The Bengal Land-revenue Settlement Regulation, 1825.
"	IV	A Regulation to declare and extend the powers to be exercised by Collectors when making or revising settlements under the provisions of Regulation VI, 1825.	The Province Family Domains Regulation, 1828.
"	VII	A Regulation for strengthening the provisions of Regulation XV, 1795, and for defining the authority of the Pagan of Benares in the Muzas lands referred to.	The Bengal Revenue Commissioners Regulation, 1829.
1830	V	A Regulation relating to the collection and delivery of Indigo plant.	The Bengal Indigo Contracts Regulation, 1830.

THE FIRST SCHEDULE—contd.

Year.	No.	Title or subject.	Short title.
1893	IX	<i>Part I.—Regulations of the Bengal Code—contd.</i> A Regulation to modify certain portions of Regulation VII of 1892 and Regulation IV of 1828; to provide for the more speedy and satisfactory decision of judicial questions cognizable by officers of revenue employed in making settlements under the above Regulations; for enforcing the production of the village-somnats; for the more extensive employment of Native agency in the Revenue Department; and to declare the intent of section 5, Regulation VII of 1892, touching claims to ashikkon.	
1893	X	<i>Part II.—Acts of the Governor General in Council.</i> Judges Contracts	
1894	XXI	Judges Contracts	The Bengal Indigo Contracts Act, 1893. <i>Pxc 1</i>
1894	XXII	An Act for amending the Bengal Code in regard to sale of land for arrears of revenue.	The Hoogal Districts Act, 1890. <i>Pxc 2</i> The Bengal Land-revenue Sales Act, 1891. <i>Pxc 3</i>
1897	IX	An Act regarding the assessment of lands gained from the sea or from rivers by alluvion or decolung within the Provinces of Bengal, Bihar and Orissa.	The Bengal Alluvion and Dillovin Act, 1897. <i>Pxc 14</i>
1898	XX	An Act for better enforcing the sentences of proprietors and farmers of land below Collectors of land-revenue in the Lower Provinces of the Bengal Presidency.	The Bengal Landholders' Attendance Act, 1898. <i>Pxc 15</i>
1899	XXIII	An Act for scoring the Land-revenue of Chhuttah.	The Chhuttah Land-revenue Act, 1899. <i>Pxc 17</i>
1899	XLV	An Act for constituting the Board of Customs, Salt and Opium and the Board of Revenue in the Lower Provinces of Bengal.	The Bengal Board of Revenue Act, 1899. <i>Pxc 18</i>

THE FIRST SCHEDULE—contd.

Year.	No.	Title or subject.	Short title.
1895	XXXII	<i>Part II.—Acts of the Governor General in Council—contd.</i> An Act relating to Embankments.	The Bengal Embankment Act, 1895. <i>Pxc 5</i>
1895	XXXVII	An Act to remove from the regulation of the General Laws and Regulations certain districts inhabited by Soothals and others, and to place the same under the superintendance of an officer to be specially appointed for that purpose.	The Soothal Parganas Act, 1895. <i>Pxc 26</i>
1898	XVIII	An Act relating to the administration of the public revenues in the form of Calcutta.	The Calcutta Land-revenue Act, 1898. <i>Pxc 17</i>
1898	XX	An Act to amend the provisions for the appointment and maintenance of Police Chaudhary in Cities, Towns, Stations, Suburban and Buzars in the Presidency of Fort William in Bengal.	The Bengal Chaudhary Act, 1898. <i>Pxc 27</i>
1898	XXII	An Act for establishing a Gall on boats and timber passing through the Kankotya river in the district of Rooga.	The Kankotya Tolls Act, 1898. <i>Pxc 27 1</i>
1899	X	An Act to amend Act XXVII of 1895.	The Soothal Parganas Act, 1897. <i>Pxc 28</i>
1899	XIII	An Act to consolidate and amend the law relating to the cultivation of the poppy and the manufacture of opium in the Presidency of Fort William in Bengal.	The Opium Act, 1897. <i>Pxc 27</i>
1899	XLI	An Act to make better provision for the order and good government of the station of Howrah.	The Howrah Offences Act, 1897. <i>Pxc 29</i>

PUBLIC FIRST SCHEDULE—contd.

1	2	3	4
Year.	No.	Title or subject.	Short title.

Part II.—Acts of the Governor General in Council—contd.

1858	XXXVI	An Act to make further provision for the redemption of land granted by allotment in the Presidency of Fort William in Bengal.	The Bengal Allotment Land Settlement Act 1858. <i>Page 31</i>
1860	Y	An Act to empower the holders of Pottahs lands in the districts of Bhabhun to grant leasing extending beyond the period of their own possession.	The Bengal Pottahs Lands Act, 1860. <i>Page 31</i>
	X	An Act to amend the law relating to the recovery of rent in the Presidency of Fort William in Bengal.	The Bengal Rent Act, 1860. <i>Page 31</i>
	XI	An Act to improve the law relating to sales of land for arrears of revenue in the Lower Provinces under the Bengal Presidency.	The Bengal Land-revenue Sales Act, 1860. <i>Page 32</i>
	XII	An Act to make better provision for the trial of Pleas at the Presidency of Fort William in Bengal for breach of duty.	The Calcutta Pleas Act, 1860. <i>Page 32</i>
1867	XIX	An Act to make further provision for the re-constitution of Justice in the districts of Lurgahingy.	The Pargahingy (High Courts Jurisdiction) Act, 1867. <i>Page 45</i>
	XXIII	An Act for the suppression of manumission and other in certain districts of the Pargah.	The Pargah Manumission Outrages Act, 1867. <i>Page 45</i>
1871	XXII	An Act to reconstitute the session of the Circuit and Act to provide for the no standard of Police.	The Bengal Circuit (Amendment) Act, 1871. <i>Page 51</i>
1876	VII	An Act to amend the Criminal Tribes Act, 1871, in the Lower Provinces of Bengal, and to amend the same Act.	The Criminal Tribes (Amendment) Act, 1876. <i>Page 59</i>

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PUBLIC FIRST SCHEDULE—contd.

1	2	3	4
Year.	No.	Title or subject.	Short title.

Part II.—Acts of the Governor General in Council—contd.

1877	IX	An Act to merge and amend Act No. XXIII of 1867.	The Punjab Manumission Outrages (Amendment) Act, 1877. <i>Page 62</i>
1878	XII	An Act for the further amendment of the Punjab Laws Act, 1875.	The Punjab Laws (Amendment) Act, 1878. <i>Page 63</i>
1881	VII	An Act to amend the Bengal Act No. IX of 1880 (the Cess Act, 1880).	The Bengal Cess (Amendment No. 3) Act, 1881. <i>Page 66</i>
1883	VI	An Act to give power to arrest persons whose evidence is needed under Act XIII of 1850.	The Calcutta Prisons (Amendment) Act, 1883. <i>Page 68</i>
1884	V	An Act to amend the Courts-Registries (Amendment) Act, 1874.	The Courts-Registries (Amendment) Act, 1884. <i>Page 70</i>
1886	VIII	An Act to amend sections 12 and 18 of the Bengal Tenancy Act, 1886.	The Bengal Tenancy (Amendment) Act, 1886. <i>Page 72</i>
1885	XIX	An Act to amend the Punjab Courts Act, 1884.	The Punjab Courts (Amendment) Act, 1885. <i>Page 84</i>
1886	XVII	An Act to amend the Punjab Land-revenue Act, 1887.	The Punjab Land-revenue (Amendment) Act, 1886. <i>Page 86</i>
	XXIII	An Act to amend the Punjab Municipal Act, 1881.	The Punjab Municipal (Amendment) Act, 1881. <i>Page 86</i>

Part III.—Bengal Acts.

1862	III	An Act to amend Act XI of 1850 (the law relating to the recovery of arrears of Revenue in the Lower Provinces under the Bengal Presidency).	The Bengal Rent Act, 1862.
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THE FIRST SCHEDULE—contd.

Year.	No.	Title.	Short title.
1863	VII	An Act to repeal section 80 of Regulation II, 1819 for modifying the provisions contained in the provisions regarding the Resumption of lands held free of assessment under Regulation IV, 1819 and for defining the right of Government to the revenue of lands not included within the limits of estates for which a settlement has been made).	The Bengal Land-revenue Resumption Act, 1862.
1803	VIII	An Act to improve the system of Zaminbari Daks in the Provinces subject to the Government of Bengal.	The Bengal Zaminbari Dak Act, 1803.
1803	II	An Act to shahn and prevent nuisances arising from the smoke of furnaces in the Towns and Suburbs of Calcutta.	The Calcutta and Howrah Smoke Nuisances Act, 1803.
1804	IV	An Act to amend Act XXI of 1806.	The Bengal Districts Act, 1804.
1805	IV	An Act for the prohibition of the practice of inheritance in the Towns and Suburbs of Calcutta and in towns to which Act III of 1804, passed by the Lieutenant-Governor of Bengal in Council, has been or shall hereafter be extended.	The Bengal Prohibition of Inheritance Act, 1805.
	VII	An Act to make provision for the better regulation and supervision of Public Shahn-houses in the Suburbs of Calcutta, and for the adoption of proper conveyance arrangements for the same.	The Bengal Municipal (Shahn-houses and Meat-sheds) Act, 1865.

Part III.—Bengal Acts—contd.

Year.	No.	Title.	Short title.
1805	VIII	An Act to amend the law for the sale of such under-tenancies by the title-deeds or established usage of the country as transmissible by sale or otherwise for the recovery of arrears of rent due in respect thereof.	The Bengal Rent Recovery Act, 1805.
1808	II	An Act to provide for the better registration of the Police within the suburbs of the town of Calcutta.	The Calcutta Suburban Police Act, 1808.
"	III	An Act to provide for the attendance and examination of witnesses before the Council of the Lieutenant-Governor of Bengal for making laws and regulations.	The Bengal Legislative Council (Amendment) Act, 1808.
"	VII	An Act to make better provision for the acquisition of land for embankments, a cut or other matters relating thereto.	The Bengal Embankment Act, 1808 (No. 2)
1807	II	An Act to provide for the purchase of Public Gaming and the keeping of common gaming-houses in the territories subject to the Lieutenant-Governor of Bengal.	The Bengal Public Gaming Act, 1807.
"	III	An Act to amend the law relating to ships lying in ports in the Provinces under the control of the Lieutenant-Governor of Bengal.	The Bengal Ports Act, 1807.
"	IV	An Act to explain and amend Act VI of 1802, passed by the Lieutenant-Governor of Bengal in Council, and to give validity to certain judgments.	The Bengal Rent (Amendment) Act, 1807.

Part III.—Bengal Acts—contd.

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THE FIRST SCHEDULE—contd.

Year.	No.	Title or subject.	Short title.
<i>Part III.—Bengal Acts—contd.</i>			
1863	III	An Act to amend the law respecting appeals in cases under Regulation VII of 1852.	The Bengal Land-revenue Settlement Act, 1863.
	IV	An Act to amend the provisions of Act IX of 1847 (an Act regarding the assessment of lands granted from the soil or from streets by alienation or devolution within the Province of Bengal, Behar and Orissa).	The Bengal Alienation (Amendment) Act, 1863.
	VII	An Act to make further provision for the recovery of arrears of land-revenue and public demands recoverable as arrears of land-revenue.	The Bengal Land-revenue Siles Act, 1868.
	I	An Act for the Prevention of Cruelty to Animals.	The Bengal Cruelty to Animals Act, 1869.
1868	III	An Act to enable Police-officers to arrest without warrant persons guilty of cruelty to animals.	The Bengal Cruelty to Animals (Amendment) Act, 1869.
1864	VII	An Act to amend the section of the Police-force in Bengal.	The Bengal Police Act, 1869.
1865	I	An Act to amend the Village (Mushahiri) Act, 1870.	The Bengal Village (Mushahiri) Act, 1871.
	II	An Act to amend the procedure for the recovery of arrears of land-revenue in respect of landlords and tenants.	The Bengal Land-revenue Siles (Amendment) Act, 1871.
	I	An Act to amend the Sale Act, 1861.	The Bengal Sale Act, 1872.
	IV	An Act for regulating Births and Deaths.	The Bengal Births and Deaths Registration Act, 1873.
		An Act to provide for the voluntary Registration of Marriages in Bengal.	The Bengal Marriages (Amendment) Act, 1876.

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THE FIRST SCHEDULE—contd.

Year.	No.	Title or subject.	Short title.
<i>Part III.—Bengal Acts—contd.</i>			
1868	VI	An Act to amend Act XI of 1846, Act XVI of 1850 and Act V (B.L.) of 1866.	The Calcutta Police (Amendment) Act, 1876.
1878	V	An Act to amend Bengal Act VII of 1876.	The Bengal Land Registration (Amendment) Act, 1878.
1879	II	An Act to amend and extend the Part Lodging-houses Act, 1871.	The Part Lodging-houses (Extension) Act, 1879.
	III	An Act to provide for the regulation of the profession of Bazaar-brokers and Exchange-brokers attached thereto in the Town and Suburban of Calcutta and in Hoarseah.	The Bengal Bazaar-brokers and Exchange-brokers Act, 1879.
	VIII	An Act to define and limit the powers of Station-officers.	The Bengal Post Settlement Act, 1879.
1880	III	An Act to amend the Bengal Bridge Act, 1871.	The Bengal Bridge Act, 1880.
1881	II	An Act to amend the Cass Act, 1880.	The Bengal Cass (Amendment No. 2) Act, 1881.
	III	An Act to amend the Court of Wards Act, 1879.	The Bengal Court of Wards (Amendment) Act, 1881.
1883	I	An Act to amend the Bengal Revenue Act, 1878.	The Bengal Revenue (Amendment) Act, 1883.
	V	An Act for the Registration and Control of Porters and Undertakings in the Districts of Calcutta, Hoarseah, and Murshidabad.	The Districting and Control of Porters and Undertakings Act, 1883.
1884	I	An Act further to amend Bengal Act IV of 1871.	The Part Lodging-houses (Extension) Act, 1884.
	II	An Act to amend the Calcutta Terminus Act, 1880.	The Calcutta Terminus (Amendment) Act, 1884.
1886	I	An Act to further amend the Village (Mushahiri) Act, 1870.	The Bengal Village (Mushahiri) (Amendment) Act, 1886.

THE FIRST SCHEDULE—contd.

Year.	No.	Title or subject.	Short title.
1886	II	An Act to amend Act II (No. 1) of 1846, and the Calcutta Police Act, 1868.	The Calcutta and Suburban Police (Amendment) Act, 1886.
"	III	An Act to amend Act III (No. 1) of 1884.	The Bengal Municipal (Amendment) Act, 1886.
1887	II	An Act to amend Bengal Act V of 1880.	The Bengal Vaccination (Amendment) Act, 1887.
1888	IV	An Act to provide for the appointment of a Mahasamant, and to make better provision for the interest of persons other than Christians or Mohammedans.	The Calcutta Rural Dairies Act, 1888.
1889	I	An Act to consolidate the Calcutta and the Suburban Police Superannuation Funds.	The Calcutta and Suburban Police (Superannuation Fund) Act, 1889.
"	(U)	An Act to amend the Bengal Vaccination Act, 1870.	The Bengal Vaccination (Amendment) Act, 1889.
1892	I	An Act to further amend the Village Chanchikari Act, 1870.	The Bengal Village Chanchikari (Amendment) Act, 1892.
1894	II	An Act to amend the Calcutta Port Act, 1880.	The Calcutta Port (Amendment) Act, 1894.
"	IV	An Act to amend the Bengal Municipal Act, 1884.	The Bengal Municipal (Amendment) Act, 1894.
1895	II	An Act to further amend the Suburban Police Act, 1868, and the Calcutta Police Act, 1868.	The Calcutta and Suburban Police (Amendment) Act, 1895.
"	IV	An Act to further amend the Calcutta Port Act, 1880.	The Calcutta Port (Amendment No. 1) Act, 1895.
"	VI	An Act to further amend the Calcutta Port Act, 1880.	The Calcutta Port (Amendment No. 2) Act, 1895.
1893	II	An Act to further amend the Bengal Municipal Act, 1884.	The Bengal Municipal (Amendment) Act, 1893.

Part III.—Bengal Acts—contd.

Year.	No.	Title or subject.	Short title.
1897	I	An Act to amend the Public Deposits Recovery Act, 1886.	The Bengal Public Deposits Recovery (Amendment) Act, 1897.
1899	II	An Act to amend the Civil Courts Appeals Act, 1886, in Bengal.	The Bengal Civil Court Appeals Act, 1899.

THE FIRST SCHEDULE—contd.

THE SECOND SCHEDULE.

AMENDMENTS.
(See section 5.)

1	2	3	4	5
Year.	No.	Subject or short title.	Amendment.	

Part I.—Regulations of the Bengal Code.

1793	II	The Bengal Land-revenue Regulation, 1793.	In section 14, after Collector insert, in.	
			In sections 36, 38, 39, 40, 42, 43 and 45, the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.	
			In section 40, the word his shall be read as if the word its were substituted therefor.	
			In section 46, the word him shall be read as if the word it were substituted therefor.	
	VIII	The Bengal Decennial Statement Regulation, 1793.	In section 50, the words Governor General in Council shall be read as if substituted therefor.	
			In section 51, the word Government shall be read as if the words the Local Government were substituted therefor.	
	XIX	Revenue-free Towns (Non-Excludable Towns).	In sections 2, 3, 8, 9 and 16 the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.	
			In section 2, after Fourth, the word him shall be read as if the word it were substituted therefor.	
			In section 10, the words Governor General in Council shall be read as if the words Governor General in Council or the Local Government were substituted therefor.	
			In section 15, the word him, where it first occurs, shall be read as if the word it were substituted therefor.	

THE SECOND SCHEDULE—contd.

1	2	3	4	5
Year.	No.	Subject or short title.	Amendment.	

Part I.—Regulations of the Bengal Code—contd.

1793	XXXVII	Revenue-free lands (Raddah Grants).	In sections 2, 3, 5 and 10, the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.	
1799	V	The Bengal Wilds and Inland Regulations, 1799.	In section 10, the word him, where it first occurs, shall be read as if the word it were substituted therefor.	
1805	XII	Land-revenue Duties.	In sections 18, 20, 26, 28 and 30, the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.	
			In section 18, after Third, the word himself shall be read as if the word itself were substituted therefor.	
			In section 19, after Fifth, the word him shall be read as if the word it were substituted therefor.	
			In section 22, for the information of the Governor General in Council substitute for the word of Revenue.	
	XIII	Rainie, Customs.	In section 3, the words the Governor General in Council, by an order in Council, shall be read as if the words the Local Government, by notification in the Gazette, were substituted therefor.	
			In section 4, after Fourth, the words Governor General in Council shall be read as if the words Local Government were substituted therefor.	

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THE SECOND SCHEDULE—contd.

Year.	No.	Subject or short title.	Amendments.
1810	XIX	Charitable Foundations, Public Buildings and Schools.	In section 3, for these words substitute the Board of Revenue. In section 4, for Boards substitute Board. In section 6, for these Boards respectively substitute the Board. In section 8, the words Governor General in Council shall be read as if the words Local Government were substituted therefor. In section 12, for superior Boards and inferior Board of Revenue, and for Boards substitute Board. In section 13, for superior Board substitute Board of Revenue.
1813	V	Land-revenue Sols	In section 25, the words Governor General in Council shall be read as if the words Local Government were substituted therefor.
"	XI	The Bimral Karpin, Bunnigwa Regulation, 1812.	At the end of section 5, for the said Regulation substitute this Regulation.
1814	XXIX	Chutwahi Lands	In section 5, the words Governor-General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.
1816	V	Kānīngwa	In sections 5 and 11, the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.
"	IX	Sandarban	In section 2, the words Governor General in Council shall be read as if the words Local Government were substituted therefor. In the same section, for Regulations substitute Law.

THE SECOND SCHEDULE—contd.

Year.	No.	Subject or short title.	Amendments.
1817	XVII	Patwāis	<i>Part I.—Regulations of the Bengal Code—contd.</i> In section 18, the words Governor General in Council shall be read as if the words Local Government were substituted therefor.
1819	I	Kānīngwa and Patwāis	In section 4, the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor. In section 4, clause Third, the word he shall be read as if the word it were substituted therefor.
"	II	Land-revenue Assessment (Maintained lands).	In section 13, clause Third, and in section 14, the words Governor General in Council shall be read as if the words Local Government were substituted therefor.
"	VIII	The Bengal Vahāi Rules Regulation, 1813.	In section 21, clause Second, for Boards substitute Board. In section 3, and in section 14, clause Second, for notes of the Bank of Bengal substitute currency notes.
1820	I	The Bengal Pukāi Tulchā Regulation, 1820.	In section 2, for the general Regulations substitute Law.
1831	IV	Land-revenue (Assistant Collectors).	In section 7, for by the Regulations substitute by law, and for the Regulations already in force substitute the law for the time being in force. In section 8, the words Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor. In section 8, clause Fifth, for by the Regulations substitute by the laws, and for to the Regulations substitute to law.

THE SECOND SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or short title.	Amendments.
1922		VII Board of Revenue	<p><i>Part I.—Regulations of the Bengal Code—contd.</i></p> <p>In the title, for the words "you" and "terming to the end," substitute in the Board of Revenue, and for controlling the distribution of powers between the members of the Board.</p> <p>In section 4, clause First, for "The said Boards shall each of them authenticate the Board of Revenue for the Provinces of the Presidency of East William in Bengal shall."</p> <p>In section 5, clause First, for any of the said Boards substitute the said Board.</p> <p>In section 6, second proviso, and clause Second, for "a Board" substitute the Board.</p> <p>In section 7, clauses Third and Sixth, for "Boards" substitute "Board."</p> <p>In section 8, clause Sixth, for the words "as aforesaid, where they first occur," substitute "acknowledged as the proprietor or possessor of a permanent interest in the soil for which he has applied."</p> <p>In section 9, the words "Governor General in Council, whenever they occur," shall be read as if the words "Local Government were substituted therefor," and the words "by an Order in Council" shall be read as if the words "by notification in the local official Gazette were substituted therefor."</p> <p>In section 5, clause Second, section 7, clause First, section 8, section 9, clause Third, section 10, clauses First and Third, and sections 11, 12 and 13, the words "Governor General in Council, whenever they occur," shall be read as if the words "Local Government were substituted therefor," and in section 15, the words "Governor General in Council, for the words" shall be read as if the words "Local Government were substituted therefor."</p>
		VII Land-revenue Settlement	

THE SECOND SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or short title.	Amendments.
1923		VII Land-revenue Settlement—contd.	<p><i>Part I.—Regulations of the Bengal Code—contd.</i></p> <p>In section 9, clause First, for "Order" substitute "Order," and for such a "Board" substitute "that Board."</p> <p>In section 10, clause First, section 11, section 12, and section 13, for "the words" substitute "it occurs," substitute "Board."</p> <p>In section 14, for "Regulation" substitute "law."</p> <p>In section 15, clause First, the words "the Government" by an Order in Council shall be read as if the words "the Local Government" by notification in the local official Gazette were substituted therefor, and the words "Government" shall be read as if the words "the Local Government" were substituted therefor.</p> <p>In section 16, clause Second, the words "Governor General in Council" and "the words" Governor General shall be read as if the words "Local Government" as if the words "Local Government" were substituted therefor, and the words "by an Order in Council" shall be read as if the words "by notification in the local official Gazette were substituted therefor."</p> <p>In section 17, clause First, for "other" substitute "other law."</p> <p>In section 18, clause Second, for "the words" substitute "other law."</p> <p>In section 19, clause Second, for "the words" substitute "other law."</p> <p>In section 20, for such title substitute such title and the name of which is hereby vested in Collector.</p> <p>In section 21, section 22, section 23, clause Second, section 24, section 25, and section 26, the words "Governor General in Council, whenever they occur," shall be read as if the words "Local Government were substituted therefor."</p>
1925		IX Land-revenue Settlement	

THE SECOND SCHEDULE—contd.

Year.	No.	Subject or short title.	Amendment.
1835	IX	Land-revenue Settlement—contd.	Part I.— <i>Regulations of the Bengal Code—contd.</i> In section 3, after <i>shall insert or</i> .
"	"	"	In section 6, the words <i>an Order in Council shall be read as if the words notification in the local official Gazette were substituted therefor.</i>
"	XIII	Land-revenue Settlement	In section 3, for the words <i>rules respectively substitute</i> section.
"	"	"	In sections 2 and 6, the words <i>Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.</i>
"	XIV	Revenue-free Lands	In the first paragraph of section 2, the words <i>shall be read as if the word it were substituted therefor.</i> In section 3, for <i>Regulations substitute</i> law.
"	"	"	In section 1 and section 2, change <i>Fifth</i> for <i>Regulations VIII and substitute</i> Regulations.
"	"	"	In sections 2 and 3, the words <i>Governor General in Council, wherever they occur, shall be read as if the words Local Government were substituted therefor.</i>
1837	LII	The Bengal Corruption and Extension Regulations, 1837.	In section 6, for <i>Revenue Boards substitute</i> the Board of Revenue, and for <i>these Boards substitute</i> that Board.
"	V	The Bengal Alienated Estates Management Regulation, 1837.	In section 9, for <i>several Regulations substitute</i> Regulation.

THE SECOND SCHEDULE—contd.

Year.	No.	Subject or short title.	Amendment.
1838	LII	Land-revenue Assessment (Resumed Lands).	Part I.— <i>Regulations of the Bengal Code—contd.</i> In section 10, classes <i>Second and Third</i> for <i>Boards substitute</i> Board.
"	IV	Land-revenue Settlement	In section 18, clause <i>First</i> , the words <i>Governor General in Council and the word he shall be read as if the words Local Government and the word he were respectively substituted therefor.</i> In section 2, clause <i>Fourth</i> , for <i>incomes said substitute</i> vested with the power of a Collector.
1838	IX	Land-revenue (Settlement and Deputy Collectors).	In the title, for <i>Regulations substitute</i> Regulation, and, in section 1, for <i>above Regulations substitute</i> that Regulation.
"	"	"	In sections 12 and 13, for <i>Boards substitute</i> the Board.
1839	"	"	In section 16, the words <i>Governor General in Council, shall be read as if the words Local Government were substituted therefor.</i> Part II.— <i>Acts of the Governor General in Council.</i> The words <i>the Governor General in Council</i> by an <i>Order in Council shall be read as if the words the Local Government, with the previous sanction of the Governor General in Council, by notification in the local official Gazette, were substituted therefor.</i>
1840	X	Rent	In sections 196 and 161, for <i>Boards substitute</i> Board.
"	XI	Land-revenue Sales	In section 22, after <i>post bills insert</i> emergency notes. In section 23, for <i>section 25 substitute</i> section 2 of the Bengal Land-revenue Sales Act, 1863.
"	"	"	In section 25, for <i>section 25 of this Act substitute</i> section 2 of the Bengal Land-revenue Sales Act, 1863.
"	XII	Calcutta Pilots	In sections 8 and 13, for <i>the words Bar-patrols of Muttie, wherever they occur, substitute</i> Port Officer.

Repeal and Amendment. THE SECOND SCHEDULE—contd.

[Act I 1905.]

1	2	3	4
Year.	No.	Subject or short title.	Amendments.

Part I.—Acts of the Governor General in Council—contd.

1861	V	The Public Act, 1861.	In section 34, after 'imprescriptible' insert 'with or without land tax.'
1869	III	The Public Gambling Act, 1867.	In the preamble, for 'of the Chief Commissioner of the Central Provinces and British Burma' substitute 'of British Central Provinces.'
1872	XV	The Indian Christian Marriage Act, 1872.	In the preamble, for 'of the Chief Commissioner of the Central Provinces and British Burma' substitute 'of the Chief Commissioner of the Central Provinces.'
1878	XIII	The Public Gambling Act, 1872.	In section 1, for the definition of 'Tributary-Governor' and 'Chief Commissioner' substitute the following:— "Tributary-Governor" means the Lieutenant-Governor of the United Provinces of Agra and Oudh or of the Punjab, or the Chief Commissioner of the North-West Frontier Province, as the case may be.
1879	XIV	The Hawkey Gaming Act, 1879.	In section 82, for 'certificates of marriage, and also for marriage certificates, substitute certificates for marriage.
1879	XIV	The Hawkey Gaming Act, 1879.	In section 11, after 'wherein' insert 'or each.'
1879	XIV	The Hawkey Gaming Act, 1879.	In section 2, for 18 substitute 16.

Repeal and Amendment. THE SECOND SCHEDULE—contd.

[Act I 1905.]

1	2	3	4
Year.	No.	Subject or short title.	Amendments.

Part II.—Acts of the Governor General in Council—contd.

1874	XVIII	The Legal Practitioners Act, 1874.	In section 12 (added by the Legal Practitioners Act, 1884, section 3) before 'the words and figures Act I of 1845 insert' So insert of Chapter VI of Bombay Regulation II of 1837 as the act hereby repealed.
1874	XIX	The Army Discipline and Regulation Act, 1874.	In section 1, for 'Army Discipline and Regulation Act, 1874,' substitute 'Army Act, 1874.'
1877	XIX	The Army Discipline and Regulation Act, 1877.	In section 5, for 'Provisionary Magistrate Act, 1877,' substitute 'Code of Criminal Procedure, 1898; and for the High Courts Criminal Procedure Act, 1875, section 147, substitute section 538 of that Code.
1877	XIX	The Army Discipline and Regulation Act, 1877.	In section 7, for 'Magistrate appointed under the Presidency Magistrates Act, 1877,' substitute 'Presidency Magistrate.'
1881	V	The Criminal Procedure Act, 1881.	In the preamble and in section 4, substitute (A), as amended by the Protesting and Amending Act, 1881, for the Code of Criminal Procedure, 1882, and add to the Code of Criminal Procedure, 1882, section 45.
1883	XIII	The Customs Act, 1883.	In section 6, sub-section (7), for 'in the case of a claimant' for 'with such a claimant' has not been constituted, substitute 'where a claimant is constituted' and 'has not been constituted, or has in pursuance of an order of the Local Government ceased to exist, or for any reason cannot be empowered, then, subject to any rules made under section 20, clause (5).
1897	X	The General Clauses Act, 1897.	In section 3, clause (5), (6), (20) and (37), after 'under' insert 'the Indian Councils Act, 1861, or— In section 8, after clause 6, insert the following:— (20) "Bureau Act" shall mean an Act made by the Lieutenant-Governor of Burma in Chapter I under the Indian Councils Act, 1861 and 1897.

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Year.	No.	Enactment or short title.	Amendment.
1897	X	The General Clauses Act, 1897—contd.	<p>In section 8, after clause (44), insert the following:—</p> <p>(45) "Punjab Act" shall mean an Act made by the Lieutenant-Governor of the Punjab in Council under the Indian Councils Act, 1861 and 1902;</p> <p>In section 9, after clause (55), insert the following:—</p> <p>(55a) "United Provinces Act" shall mean an Act made by the Lieutenant-Governor of the North-Western Provinces, and Oudh (or of the United Provinces of Agra and Oudh) in Council under the Indian Councils Act, 1861, or the Indian Councils Act, 1891 and 1899;</p> <p>In section 20, before the word "order," in each of the places in which it occurs, insert "notification."</p> <p>In section 21, for the words "notifications," wherever they occur, and for the words "notifications," wherever they occur, insert "notifications and orders issued in pursuance of the notifications issued."</p> <p>In section 26, before the word "order," in each of the places in which it occurs, insert "notification," and before the word "issued," in each of the places in which it occurs, insert "issued."</p>
1898	V	The Code of Criminal Procedure, 1898.	<p>In section 207, sub-section (A), clause (f), after 451 insert 452, 454.</p> <p>In section 555 for 558 substitute 554.</p> <p>In the second schedule, volume 5, insert section 195 for Bailable substitute Not bailable.</p>

Year.	No.	Enactment or short title.	Amendment.
	Y	Part II.—Acts of the Governor General in Council—contd.	<p>In the second schedule, column 8, against section 505 for <i>Ditto substitute</i> Presidency Magistrate or Magistrate of the first or second class.</p> <p>In the heading to the fifth schedule, for 554 substitute 555.</p> <p>In the fifth schedule, Form IV, for with-in days from this date substitute on the day of</p> <p>In the fifth schedule, Form XIII and XIV, for the words "from comply where it occurs for the second time for released, substitute be lawfully ordered to be released."</p> <p>For section 29 substitute the following:—</p> <p>29. (1) The Governor-General in Council may, by general or special order, provide for the removal of any prisoner confined in a prison—</p> <p>(a) under sentence of death, or</p> <p>(b) under, or in lieu of, a sentence of imprisonment or transportation, or</p> <p>(c) in default of payment of a fine, or</p> <p>(d) in default of giving security for keeping the peace or for maintaining good behaviour,</p> <p>to any other prison in British India.</p> <p>(2) The Local Government and (subject to its orders and under its control) the Inspector-General of Prisons may, in like manner, provide for the removal of any prisoner confined as aforesaid in a prison in the Provinces to any other prison in the Province.</p>

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THE SECOND SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or short title.	Amendments.

Part III.—Bengal Acts.

1862	VI	Bank	In section 14, for the said Act, substitute Act X of 1859, and for section VII of Act I of 1848 substitute section 27 of the Legal Practitioners' Act, 1874.
1865	VII	Magistrates' houses and Mount- mastrade.	In section 1, for the jurisdiction of the Municipal Commissioners of the Suburbs of the Town of Calcutta substituted under the provisions of Act VI of 1864 passed by the Lieutenant-Governor of Bengal in Council (the <i>Municipal Magistrate's Impresumption Act</i>), substitute any limit to which this section has heretofore been or may hereafter be extended by notification under section 3.
1866	IV	79th Calcutta Police Act, 1866.	In section 25, for such officer substitute officer of the Police Force.
			In section 38, for the Articles of War for Her Majesty's Army or Her Majesty's Navy or for the native officers or soldiers in Her Majesty's Indian Army, substitute the Naval Discipline Act, the Army Act or the Indian Articles of War.
			In section 35, for the words "this Act, in the second column in which they occur," substitute sections 61 and 67 to 79 of the Indian Penal Code and sections 385, 387 and 389 of the Code of Criminal Procedure, 1898.
1867	IV	Teak (Appropriation)	In section 5, for the said worded Acts substitute the Bengal Tea Act, 1863, or the Bengal Tea Act, 1863.
1868	I	Cleanly to Animals	In section 9, for the said Act of 1866 substitute Part, Act II of 1866.
1876	III	The Bengal Irrigation Act, 1876.	In section 95, for as a demand under section 1 of the said Act, Act VII of 1868, substitute under the proviso recorded by the Public Works Department Act, 1895, for the recovery of public demands.

THE SECOND SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or short title.	Amendments.

Part III.—Bengal Act—contd.

1880	IX	The Gas Act, 1880	In section 20, Example B, for the rate of 1000.
1882	H	Amendment of the Calcutta Townships Act, 1880.	In section 2, for the words "and figures" substitute "within the local limits of the town or towns" in the Calcutta Municipal Corporation Act, 1876, and for the words "and figures" substitute "subject to the authority of the Corporation of Calcutta."
			In section 2, for the words "and figures" substitute "within the local limits of the town or towns as defined in the Calcutta Municipal Corporation Act, 1876, which are not subject to the authority of the Corporation of Calcutta, and for the words "and figures" substitute "within the local limits of the town, as defined by the Calcutta Municipal Corporation Act, 1876, substitute within the town subject to their authority."
			In section 4, for the words "and figures" substitute "the limits of the town as defined by the Calcutta Municipal Corporation Act, 1876, substitute outside the town subject to their authority."
			In section 45, for such officer substitute any officer in which this Act is in force.
			In the reference to section 9 of Bengal Act IX of 1880 in the second Schedule, for 111 substitute 166.
			In section 89, clause (2), for 32 substitute 34.
			In section 9 and 3, after Subsection insert of Section.
			In section 90, for the three next succeeding sections and in section 91, for any of the three last preceding sections, substitute section 91, section 92 or section 93.

THE SECOND SCHEDULE.—contd.

Year.	No.	Subject or short title.	Amendment.
	0		Amendment.

Part III.—Bengal Acts—contd.

1890	III	The Calcutta Port Act, 1890 —contd.	In section 84, for words substitute vessel.
1894	IV	Municipalities	In section 24, for Municipality substitute Municipalities.
1899	I	The Bengal General Clauses Act, 1898.	In section 3, clause (C), after word insert the Indian Councils Act, 1861, or. In section 24, before the word order, whenever it occurs, insert the word appointment, and before the word issued, whenever it occurs, insert the words made or.

Part IV.—Burma Act.

1898	I	The Burma General Clauses Act, 1898.	In section 20, before the word order, in each of the places in which it occurs, insert notification. In section 27, for make substitute issue substitutions, before the word my and orders insert notifications, and for made substitute issued. In section 34, before the word order, in each of the places in which it occurs, insert appointment, notification; and before the word issued, in each of the places in which it occurs, insert a title or.
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Part V.—Regulation made under the Government of India Act, 1870 (S. 3 & 34
Act, c. 3).

1874	IX	The Arkan Hill District Laws Regulation, 1874.	In the first column of the schedule, for II of 1857 substitute XI of 1857.
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THE THIRD SCHEDULE.

REPEALS
(See section 4.)

No.	Subject or short title.	Extent of repeal.
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Part I.—Regulations of the Bengal Code.

1783	XXI	The Bengal Decanial Sadder and Regulations, 1783.	In section 19, the words and figures as the undermentioned mentioned in section XVII are supposed to have been. Section 8.
1785	XXII	Revenue-free Lands (Non- Bishahi Grants).	In section 68, the words or the Courts of Grant.
1785	XXIII	Revenue-free Lands (Bishahi Grants).	In section 2, clause Second, the words and figures and preceded in it as re- quired by section XIV, Regulation III, 1785. Sections 20 and 30.
1788	XXIV	The Indian Civil Service (General Terms Regulation, 1788).	In section 2, the words have been made in opposition to the repeated prohibi- tions of Government, or which.
1792	XXV	Native Revenue officers	In the title the words money or and the words amicable or. In section 16, the words a balance of accounts, or money or, the words the payment of the money or, the words the the amount of the money or, the words money or, the words discharge the money or, the words the sum demanded of him shall be discharged or, and the words from The Collector is authorized likewise to attach to arrears of revenue. In section 17, the words money or. In section 18, the words money or, the words balance or, and the words that be paid, or a portion only, of the sum demanded was due from him, or. Section 19.

THE THIRD SCHEDULE—*contd.*

1	2	3	4
Year	No.	Subject or short title.	Extent of repeal.

Part I.—Regulations of the Bengal Code—contd.

1704	III	Nuisance Revenue-offences— <i>contd.</i>	In section 519, the words <i>and figures</i> and shall continue to remain in the rules specified in section 12, and the word <i>avermentals</i> .
1705	V	The Bengal Wills and Intestacy Regulation, 1890.	In section 2, the words <i>under any legislation relating to the jurisdiction of the Court of Wills</i> .
1801	I	Land-revenue Assessment	In section 3, the words <i>which they are to provide</i> and <i>concerning</i> in the general Regulations.
			In section 7, the words <i>or, if the necessary were so necessary, in the District Gazette</i> .
			In section 8, the words <i>and figures</i> from and the <i>provision</i> inserted in pursuance of clause Fourth of section XXII, Regulation VIII, 1793, to be omitted by the officers of Government, the words <i>and figures</i> in pursuance of clause Fourth of section XXII, Regulation VIII, 1793, or of any other Regulation, the words <i>under the process presented in clause Eighth of the above section and Regulation, and the words and figures</i> from <i>whereas</i> , in this Regulation is meant to supersede the rules contained in section LXXII, Regulation VIII, 1793, at the end of the <i>revision</i> .
			In section 10, the words <i>Governor General in Council</i> or.
1805	XII	Revenue-offences, Customs	In section 1, the words <i>from and relative</i> as the <i>principles</i> is <i>undrawn</i> .
			Sections 2 to 11.
			In section 21, the words <i>and figures</i> from and the rules contained in Regulation XXVII, 1793, to the end.
	XIII	Folio, Galtuck	In the 14th, the words <i>and figures</i> and <i>to amend</i> in the provisions contained in Regulation IV, 1804.

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THE THIRD SCHEDULE—*contd.*

1	2	3	4
Year	No.	Subject or short title.	Extent of repeal.

Part I.—Regulations of the Bengal Code—contd.

1805	XIII	Folio, Galtuck— <i>contd.</i>	In section 1, the words <i>from and where</i> as it now the <i>provision</i> to <i>general</i> <i>quality</i> of the <i>country</i> .
			Section 4 clause 23rd.
			In section 4 clause Fourth, the words <i>and that</i> .
			Sections 6, 7, 10 and 11.
1810	XIX	Charitable Endowments Public Outtings and Escheats.	In the title, the words <i>inquests, Hindu temples and the words</i> <i>bridges, canals, karshas and water</i> .
			In section 1, the words <i>monkeys, Hindu temples, the words</i> <i>plains and and the words</i> <i>bridges, canals, bridges and other</i> .
			In section 2, the words <i>monkeys, Hindu temples, the words</i> <i>plains and and the words</i> <i>and Board of Commissioners in the several districts subject to the control of these Boards respectively</i> .
			In sections 3, 5, 6 and 7, the words <i>and Board of Commissioners</i> .
			In section 7, the words <i>and Board of Commissioners, respectively</i> .
			In section 10, the words <i>to whose authority these agents are respectively subject</i> .
			In section 14, the words <i>or Board of Commissioners</i> .
			In section 16, the words <i>in the mode and form prescribed by the Regulations, where the revenue is public officers are parties, or under the general provisions of the Regulations, if the soil be brought against a proprietor or other private person</i> .
			In section 19, the words <i>and City</i> .
			In section 27, the words <i>or City</i> .
1812	V	Land-revenue Sales	

THE THIRD SCHEDULE—contd.

1	2	3	4
Year.	No.	subject or short title.	Extent of repeal.
1812	XVIII	Lands and Land-revenue Territories bordering on Bundelkhand.	In section 1, the words and Versara. So much as is unrevoked.
1814	V	Chakruli Lands.	In section 2, the words with the sanction of the Governor General in Council.
1814	XVII	Kāndāgas	In section 10, the words by the Regulations.
1817	XII	Dabwāria	In the title, the words in the Ceded and Conquered Provinces, the Provinces of Peshawar and Benares, the district of Cutch, the Pargana of Patāshpur and its dependencies.
1818	III	The Bengal State Prisoners Regulations, 1813.	In section 1, the words from but as for the full abatement to assignments of that office, and the words from to be in force is dependent on it.
1819	I	Kāndāgas and Pārwāris	In section 23, the words City or town.
"	II	Land-revenue Assessment (Assured Land).	In sections 27 and 28, the words In like manner.
"	VIII	The Bengal Pāni Taluqs Regulation, 1819.	In section 30, the words Provided further that.
1820	I	The Bengal Pāni Taluqs Regulation, 1820.	In section 4, the words or City, whenever they occur.
			In section 4, clause 57-58, the words and Syhet.
			In section 2, clause 36-37, the words and fifty bighas if within the Pāris of Benares.
			In section 17, clause 51-52, the words as shown by the Government Gazette may recieve.
			In section 2, the words or City.

Part I.—Regulations of the Bengal Code—contd.

1	2	3	4
Year.	No.	subject or short title.	Extent of repeal.
1822	VII	Land-revenue Settlement	In the title, the words the Ceded and Conquered Provinces including. In section 1, the words the district of Gorakhpur, the district of Azamgarh, the words and whereas it is also otherwise to provide for the revision of the settlement of the Conquered Provinces and of the Provinces of Bundelkhand, proceeding the continuance of the existing laws, and the words from the date of their promulgation throughout the Ceded and Conquered Provinces. Sections 5, clause 7-10, and section 6, clause 7-8-9-10. In section 7, clause 7-10, the words in the Ceded Provinces or. Section 7, clause 7-8-9-10. In section 7, clause 11-12, the words the district of Gorakhpur, the district of Azamgarh. In section 20, clause 1-2, the words but as provision of appeal shall be removed after the expiration of three months from the date of the decision unless sufficient cause shall be shown for the delay to the satisfaction of the Board, and the words Provided also that, in both places be inserted they occur. In section 31, clause 1-2, the words Provided also that. In section 33, clause 1-2, the words City. In section 35, the words or Board of Commissioners. Section 2. In section 4, clause 1-2, the words by the existing Regulations.
	XI	Government Indemnity	
	VI	Indigo Contracts	

THE THIRD SCHEDULE—contd.

1	2	3	4
Year.	No.	subject or short title.	Extent of repeal.
1822	VII	Land-revenue Settlement	In the title, the words the Ceded and Conquered Provinces including. In section 1, the words the district of Gorakhpur, the district of Azamgarh, the words and whereas it is also otherwise to provide for the revision of the settlement of the Conquered Provinces and of the Provinces of Bundelkhand, proceeding the continuance of the existing laws, and the words from the date of their promulgation throughout the Ceded and Conquered Provinces. Sections 5, clause 7-10, and section 6, clause 7-8-9-10. In section 7, clause 7-10, the words in the Ceded Provinces or. Section 7, clause 7-8-9-10. In section 7, clause 11-12, the words the district of Gorakhpur, the district of Azamgarh. In section 20, clause 1-2, the words but as provision of appeal shall be removed after the expiration of three months from the date of the decision unless sufficient cause shall be shown for the delay to the satisfaction of the Board, and the words Provided also that, in both places be inserted they occur. In section 31, clause 1-2, the words Provided also that. In section 33, clause 1-2, the words City. In section 35, the words or Board of Commissioners. Section 2. In section 4, clause 1-2, the words by the existing Regulations.

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THE THIRD SCHEDULE—contd.

THE THIRD SCHEDULE—contd.

Year.	No.	Subject or short title.	Extent of operation.
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Part I—Regulations of the Bengal Code—contd.

1825	VII	The Indian Civil Service (Bengal) Leave Prohibition Regulation, 1825.	In section 4, the words 'in like manner, Section 7.
1825	VI	The Bengal Troops Transport Regulation, 1825.	In section 2, the word 'sum.' In section 4, the words 'in those judgments the District may be allowed.' In section 5, the word 'proper' and the words 'by whom the case may be cognizable.'
"	IX	Land-revenue Settlement.	In section 6, clause 7, the words 'under the provisions of the assisting Regulations.'
"	XI	The Parganah Aliphan and Dhanora Regulation, 1825.	In section 5, the word 'and City.'
"	XIV	Revenue-free Lands.	In the title, the words 'and figures' and 'to provide for the application of the present laws and regulations respecting lands held free of assessment to the territory ceded by Oudh' also to the British Government and annexed to the aid of Bundelkhand under the provisions of Regulation II, 1818. In section 1, the words 'and figures' and 'to provide for the application of the present laws and regulations respecting lands held free of assessment to the territory ceded by Oudh' also to the British Government and annexed to the aid of Bundelkhand under the provisions of Regulation II, 1818, the words 'and figures' only shall be to the 'Revenue-free Lands, and that in the manner in cases provided in the first schedule by a Provincial Court, excepting cases ultimately appealable to the King's Bench, the words 'the above regulations shall not apply to the words' but that such cases, and the words 'and figures' Regulations XXI and XLVI, 1806, Regulations XXXI and XXXVI, 1803.
1836	XIV	Revenue-free Lands—contd.	In section 8, the words 'the Lieutenant-Governor and the Board of Commissioners in the Ceded and Conquered Provinces.'
1836	XIV	Revenue-free Lands—contd.	In section 8, clause second, the words 'and figures from the 1st July, 1836, to 1st November, 1837.'
1837	XIV	Revenue-free Lands—contd.	In section 3, clause 7, the words 'and figures Regulation XLI, 1805, Regulation XXV, 1804, and the words 'and figures from' and 'with respect to the territory to territory referred to.'
1837	XIV	Revenue-free Lands—contd.	In section 2, clause second, the words 'and figures from the 1st January, 1837, and the words 'and figures from' for the pargana to the 1st November, 1837.
1837	XIV	Revenue-free Lands—contd.	In section 4, the words 'and figures Regulation XII, 1795, Regulation XXXI, 1808.'
1837	XIV	Revenue-free Lands—contd.	In section 2, the words 'and figures and clause second, see, section XVI, Regulation III, 1835.'
1837	XIV	Revenue-free Lands—contd.	In the title, the words 'from the appointment to for otherwise.'
1837	XIV	Revenue-free Lands—contd.	In section 1, the words 'and figures from' by the provisions of Regulation II, 1818, so to amend the aforesaid title, and 'the words' from to appoint special Commissioners to resolve to such cases, and.
1837	XIV	Revenue-free Lands—contd.	In section 2, to 8.
1837	XIV	Revenue-free Lands—contd.	In section 18, clause second, the words 'and figures' shall be amended in illustration to which the jurisdiction of a special Commissioner has been extended on in any other district, and the words 'or the Commissioner appointed under this Regulation.'

THE THIRD SCHEDULE—contd.

Year.	No.	Subject or short title.	Extent of repeal.
1838	III	Land-revenue Assessment (Assessed Inamls)—contd.	Part I.—Regulations of the Bengal Code—contd. In section 19, the words and figures Regulations XII and XIII, 1788, Regulations XXI and XXVI, 1803, Regulations VIII. In section 18, clause First, the words of before a special Commissioner under this Regulation. In section 13, clause Second, the words to a special Commissioner under this Regulation having local jurisdiction for the time being (or, if no such jurisdiction exist).
	IV	Land-revenue Settlement	Section 1. In section 9, clause Fourth, the words by this Regulation and.
1839	I	Revenue Commissioners	In the title, the words and figures, from for establishing to the and. In section 1, the words new vested in the Courts of Circuit, together with those; the words the former under the authority of the Nazam Ahsan, and the latter; the words and altogether to discharge the functions of the Courts of Circuit from those of the Judges of Appeal; and the words and figures from II be, in the same line, appended to be necessary to be approved by the appointment of Commissioners. In section 2, the figures and words from 1st Division to District, the words to be placed under the officer appointed to control the affairs of Arakan, and the figures and words from 17th to Rangpoos. Sections 6 to 8, section 9, clause First, and section 10. The whole.
1833	IV	Central Labourn	

THE THIRD SCHEDULE—contd.

Year.	No.	Subject or short title.	Extent of repeal.
1833	IX	Land-revenue Settlement and Deputy Collectors.	Part I.—Regulations of the Bengal Code—contd. In the title, and in section 1, the words and figures and Regulation IV of 1828, Section 2 and the first sentence of section 3. In sections 8, 24 and 25, the word Sadr.
1834	VI	Land-revenue Settlement, Cuttack.	Part II.—Acts of the Governor General in Council. Districts The whole Act, so far as it applies to the United Provinces of Agra and Oudh. <i>px 2</i>
1837	IX	Madras and Orlissa	So much as is unrecpealed. <i>px 3</i>
1850	XXIII	The Sale of Pottat-tenures Act, 1850.	In section 4, the word Government. In sections 5 and 6, the word Sadr, where it occurs before the word Besud. <i>px 14</i>
1851	XIX	The Decree and Witness Act, 1851.	In section 2, the words Except in regard to the proprietary right to lands. So much as is unrecpealed. <i>px 18</i>
1854	XX	Amendment of Bengal Regulation XIII of 1833 (Administration of parts of the Khasgach Jungle Mahals and Midnapur districts).	So much as is unrecpealed, except so far as it is in force in Assam. <i>px 27</i>
1854	XXVI	Education of male minors subject to Courts of Wards.	The whole. <i>px 24</i>
1855	XXII	Embankments	In section 21, the words from words, in- pending the singular to females. <i>px 25</i>
1857	XXII	Karnal's Talia	In section 4, the words or other officer exercising the powers of a Magistrate. <i>px 29</i>

THE THIRD SCHEDULE - contd.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.

Part I - Acts of the Governor General in Council - contd.

1867	XXI	Olefinous, Hovras	In section 64, the words from The provisions in Partion that Section 66. In section 67, the words Baharua or in both places in which they occur. In section 68, the words from words including the singular so female. Section 8. In sections 9 and 14, the words and Penalties. Pg 29
1868	XXXI	Alivaria Land Settlement	Section 8. Pg 31
1869	X	Bank	In section 9 and 14, the words and Penalties. In section 23, the words and figures within X, Regulation XII, 1705, section VI, Regulation XXXI, 1808, section XXI, Regulation VIII, 1804, and the words from 11 such period to the end. Section 26, the second paragraph. In section 28, the words from Kar arrears to first capture. In section 33, the words from Or, in the case of first capture, and the words (except the use of claims now including as admissal). In section 103, the words Except as provided in the last preceding section. In section 108, the words from Unless the former. In section 119, wherever the words and it is hereby enacted. In section 22, the words make or. Schedule B. In the preamble, the words and British Burma. In section 1, the words British Burma. Pg 30
1867	XXXII	The Chief Commissioners Powers Act.	
1867	XI	Trade-revenue Sales	

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Pg 29

THE THIRD SCHEDULE - contd.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.

Part II - Acts of the Governor General in Council - contd.

1869	XXII	The Indian Penal Code Amendment Act, 1870.	Section 5. Pg 50
1870	XXIII	The Bengal Police Constables Act, 1870.	So much as is repealed. Pg 51
1871	XXIV	The Bengal Police Constables Act, 1871.	So much as is repealed. Pg 52
1872	XXV	The Lower Local District Act, 1872.	So much of sections 6 and 7 and the fourth and fifth sub-sections as relate to Act XIX of 1868 (Revenue Provisions). Pg 57
1873	XXVI	The Oath Law Act, 1873.	So much of section 3 and the second Schedule as relates to Act XIX of 1868 (Revenue Provisions). Pg 60
1874	XXVII	The Military Institutes Act, 1874.	In section 2, the words and have been added to be forwarded to any one of the Presidencies-Governors. Pg 61
1875	XXVIII	The Royal (amending) Act, 1875 (Act of 1873).	Section B. Pg 63
1876	XXIX	The Portuguese Treaty Act, 1876.	The whole. Pg 65
1877	XXX	The Gunpowder Act, 1877.	In section 1, the words and shall come into force on the passing thereof. Pg 66
1878	XXXI	The Portuguese Convention Act, 1878.	The whole. Pg 68
1879	XXXII	The Burma Steam-boilers and Fire-workmen's Act, 1879.	In section 18, the words twice and the word last. Pg 68
1880	XXXIII	The Straits and Sea Customs Law Amendment Act, 1880.	So much of section 4 as is repealed. Pg 72
1881	XXXIV	The Land-revenue, United Provinces (amending Act XIX of 1879).	The whole. Pg 75

Pg 50

Pg 51

Pg 52

Pg 57

Pg 60

Pg 61

Pg 63

Pg 65

Pg 66

Pg 68

Pg 68

Pg 72

Pg 75

THE THIRD SCHEDULE—contd.

Year	No.	Subject or short title.	Extent of repeal.
1897	IV	The Indian Museum Act, 1887	Section 4.
1888	X	The Presidency Small Cause Courts Law Amendment Act, 1888.	In the title and preamble, the words <i>and</i> <i>figures</i> and the Presidency Small Cause Courts Act, 1888. Section 2 and the second Schedule.
1890	XVII	The Indian Census Act, 1890.	The whole. <i>Page 73</i>
1891	XII	The Repealing and Amending Act, 1891.	In the title, the words to repeal certain obsolete enactments and <i>and</i> the word <i>other</i> . In the preamble, the words, <i>from</i> <i>Whereas</i> it is expedient to repeal; <i>and</i> , <i>and</i> the word <i>also</i> . In section 1, the words <i>Repealing and</i> . <i>Page 80</i> Section 2, sub-section (1).
1892	IV	The Court of Wards Act (Punjab) Amendment Act, 1892.	Section 8 and the first Schedule. In section 1, the word <i>and</i> , <i>and</i> sub-section (2). <i>Page 81</i>
1893	II	The Terrestrial Birds Act, 1893	In section 1, the word <i>and</i> , <i>and</i> sub-section (2). <i>Page 82</i>
"	XI	The Tributary Mahals of Orissa Act, 1893.	In the preamble, the words to repeal certain enactments relating to the Tributary Mahals of Orissa <i>and</i> . In section 1, the word <i>and</i> , <i>and</i> sub-section (2). Section 2 and the Schedule. <i>Page 82</i>

Part II.—Acts of the Governor General in Council—contd.

Year	No.	Subject or short title.	Extent of repeal.
1857	XXV	The Repealing and Amending Act, 1857.	In the title, the words to repeal certain obsolete enactments and, <i>and</i> the word <i>other</i> . <i>Page 83</i>
1858	XXVI	The Repealing and Amending Act, 1858.	In the preamble, the words <i>from</i> <i>Whereas</i> it is expedient to repeal; <i>and</i> , <i>and</i> the word <i>also</i> . In section 1, the word <i>Repealing and</i> . <i>Page 83</i>
1859	XXVII	The Repealing and Amending Act, 1859.	In section 1, the words <i>Repealing and</i> , <i>Page 83</i> Section 2, sub-section (1), and the first Schedule.
1860	XXVIII	The Repealing and Amending Act, 1860.	The whole. <i>Page 83</i>
1861	XXIX	The Repealing and Amending Act, 1861.	Section 4. <i>Page 84</i>
1862	XXX	The Repealing and Amending Act, 1862.	In the title, the words to repeal certain obsolete enactments and, <i>and</i> the word <i>other</i> . In the preamble, the words <i>from</i> <i>Whereas</i> it is expedient to repeal; <i>and</i> , <i>and</i> the word <i>also</i> . <i>Page 84</i>
1863	XXXI	The Repealing and Amending Act, 1863.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1864	XXXII	The Repealing and Amending Act, 1864.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1865	XXXIII	The Repealing and Amending Act, 1865.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1866	XXXIV	The Repealing and Amending Act, 1866.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1867	XXXV	The Repealing and Amending Act, 1867.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1868	XXXVI	The Repealing and Amending Act, 1868.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1869	XXXVII	The Repealing and Amending Act, 1869.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1870	XXXVIII	The Repealing and Amending Act, 1870.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1871	XXXIX	The Repealing and Amending Act, 1871.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1872	XL	The Repealing and Amending Act, 1872.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1873	XLI	The Repealing and Amending Act, 1873.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1874	XLII	The Repealing and Amending Act, 1874.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1875	XLIII	The Repealing and Amending Act, 1875.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1876	XLIV	The Repealing and Amending Act, 1876.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1877	XLV	The Repealing and Amending Act, 1877.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1878	XLVI	The Repealing and Amending Act, 1878.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1879	XLVII	The Repealing and Amending Act, 1879.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1880	XLVIII	The Repealing and Amending Act, 1880.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1881	XLIX	The Repealing and Amending Act, 1881.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1882	L	The Repealing and Amending Act, 1882.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1883	L I	The Repealing and Amending Act, 1883.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1884	L II	The Repealing and Amending Act, 1884.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1885	L III	The Repealing and Amending Act, 1885.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1886	L IV	The Repealing and Amending Act, 1886.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1887	L V	The Repealing and Amending Act, 1887.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1888	L VI	The Repealing and Amending Act, 1888.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1889	L VII	The Repealing and Amending Act, 1889.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1890	L VIII	The Repealing and Amending Act, 1890.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1891	L IX	The Repealing and Amending Act, 1891.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1892	L X	The Repealing and Amending Act, 1892.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1893	L XI	The Repealing and Amending Act, 1893.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1894	L XII	The Repealing and Amending Act, 1894.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1895	L XIII	The Repealing and Amending Act, 1895.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1896	L XIV	The Repealing and Amending Act, 1896.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1897	L XV	The Repealing and Amending Act, 1897.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1898	L XVI	The Repealing and Amending Act, 1898.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1899	L XVII	The Repealing and Amending Act, 1899.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.
1900	L XVIII	The Repealing and Amending Act, 1900.	In section 1, the words <i>Repealing and</i> . <i>Page 84</i> Section 2, sub-section (1), section 3 and the first Schedule.

THE THIRD SCHEDULE—contd.

1	2	3	4
Year	No.	Subject or short title.	Section or sections.

Part II.—Acts of the Governor-General in Council—contd.

1897	V	The Regulating and Amending Act, 1897—contd.	In this preamble, the words from Whereas it is expedient to promulgate the said Act, and the word also where it first occurs.
"	X	The General Clauses Act, 1897.	In section 1, the words Regulating and Amending Act, 1897.
"	XI	The Bhagal Coingage Act, 1897.	Section 2, sub-section (1), section 3 and the first Schedule.
"	XII	The Lepers Act, 1898.	Section 2 and the Schedule. <i>fig 87</i>
"	XIII	The Burma Leases Act, 1898.	Section 19. <i>fig 88</i>
1900	XIII	The Prisoners Act, 1900.	In the preamble, the word cognate and the word cognate.
1901	I	Native Hillery Jaminia (repeal of enactments).	Section 16 and the first Schedule.
"	XI	The Regulating and Amending Act, 1901.	Section 31. <i>fig 91</i>
"	"	"	The whole. <i>fig 92</i>
"	"	"	In the preamble, the words from And whereas it is expedient to promulgate the said Act, and the word also where it first occurs.
"	"	"	In section 1, the words Regulating and Amending Act, 1901. <i>fig 93</i>
1902	LII	Land Revenue Rules.	Section 9, sub-section (2), section 4 and the third Schedule.
"	VI	Rank.	In the preamble, the word native where it first occurs, and the word and native where they first occur.
"	"	"	In section 2, the last two paragraphs.
"	"	"	Section 1.
"	"	"	In section 2, 3, 12, 14 and 16, the words hereafter to be brought.
"	"	"	In section 5, the words inserted after the passing of this Act.

Part III.—Bengal Acts.

1	2	3	4
Year	No.	Subject or short title.	Section or sections.

Part III.—Bengal Acts—contd.

1865	VII	THE ACT—contd.	In section 19, the words after the date of the passing of this Act.
1865	VII	THE ACT—contd.	In section 21, the words except as respects suits instituted hereunder before the passing of this Act.
1865	VII	THE ACT—contd.	In sections A and B, the word Cumbay's enforcement is omitted.
1865	VII	THE ACT—contd.	In section 1, the words and figures on and after the first day of July, 1865, and the words and figures on or after the said first day of July, 1865, and.
1865	VII	THE ACT—contd.	Section 5.
1865	VII	THE ACT—contd.	In section 7, the words and figures from All provisions imposed to them being.
1865	VII	THE ACT—contd.	In the preamble, the word the, where it occurs before the word and, and the words specified in the Regulations and Acts in the Schedule to this Act amended.
1865	VII	THE ACT—contd.	In section 1, the words from Words inserted in the singular to feminine.
1865	VII	THE ACT—contd.	In section 2, the last three-four words.
1865	VII	THE ACT—contd.	In section 3, the words and figures Act VI of 1865 (for the registration of land for public purposes) or of the same nature, and the words that may now or hereafter be.
1865	VII	THE ACT—contd.	Section IV and the Schedule.

THE THIRD SCHEDULE—contd.

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THE THIRD SCHEDULE—contd.

Year	No.	Subject or short title.	Extent of request.
1864	VII	The Salt Act, 1864	In section 3, the words "the word 'Magistrate' shall mean any person exercising the full powers of a Magistrate under the Code of Criminal Procedure, and the words 'from words importing the singular to feminine.'" Sections 85 and 96.
1866	III	Fire in Parks	In section 40, the words and figures were "35 of."
"	IV	Prevention of Inoculation	So far as it is unrepealed.
"	VII	Slaughter-houses and Meat-shedders.	In section 4, as in force in Bengal, the words and (b) the recovery of fines.
"	VII	Slaughter-houses and Meat-shedders.	In section 4, the words and figures from beyond the town of Calcutta to said town.
"	VIII	Hand Recovery (Under-tenures).	In the title and preamble, the words in the Enbours of Calcutta.
1868	II	Hand Recovery (Under-tenures).	In section 3, the words and figures and the marginal notes conferred upon the Municipal Commissioners by section VI of the above Act shall be construed by them for all the purposes of this Act.
"	II	Calcutta Suburban Police	In section 1, the second sentence.
"	III	Bengal Legislative Council (Witnesses).	Section 31.
"	IV	The Calcutta Police Act, 1868	In section 61, the words from words importing the singular to feminine.
"	IV	The Calcutta Police Act, 1868	Section 53.
"	III	Bengal Legislative Council (Witnesses).	In section 6, the words from words importing the singular to feminine.
"	IV	The Calcutta Police Act, 1868	In section 27, the words and figures or with any of the offences numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 20, 31, 23, 24, 24 and 25 in section 30 of this Act.
			Form B in the Schedule.

THE THIRD SCHEDULE—contd.

Year	No.	Subject or short title.	Extent of request.
1864	VII	Embankments	In section 10, the words from words in the singular to females.
1867	III	Public Gambling	In section 1, the words from words importing the masculine to the neuter.
"	III	Public Gambling	In section 14, the words and figures from the provisions to shall apply to, the words and meaning, the words in any town or place other than the town of Calcutta; and such fines, and the words and figures from A and the provisions to the end.
"	III	Public Gambling	In section 16, the words from and after the passing of this Act, in both places as which they occur.
"	III	Public Gambling	Section 17.
"	III	Public Gambling	In section 1, the words words; importing the singular number include the plural and words importing the plural number include the singular.
"	III	Public Gambling	In section 15, the words and hospital part-does, and the words respectively.
"	III	Public Gambling	In section 17, the words from and the provisions, where they first occur, to the end.
"	III	Public Gambling	In the third Schedule, the figures 17, and the words from Hospital part-does to the end.
"	III	Public Gambling	The title and preamble.
"	III	Public Gambling	Sections 2, 3 and 4.
"	III	Public Gambling	In section 6, the words from and after the passing of this Act.
"	III	Public Gambling	The whole.
"	X	Land-revenue Outgo.	Settlement.

THE THIRD SCHEDULE—*contd.*

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1868	VII	Land Revenue Rules	In sections 3 and 4, the words "from the date when the Act comes into operation."
1869	V	Place of sitting of Courts of Sessions.	In section 3, the words "from and the words to the end."
1873	IV	The Post Lodging-house Act, 1871.	Section 9 and Schedules A, B, C and D.
"	VII	Police	Section 1.
"	XI	Opium	The whole.
1874	I	Calcutta Suburban Police	Re word as is unreppealed.
1875	IV	Repeal of Auction Law.	The whole.
"	V	The Bengal Survey Act, 1873.	In section 1, the words "from and thence" shall be General.
1876	XIII	The Bengal Irrigation Act, 1876.	Section 2, and Schedule A.
"	VII	The Agrarian Disputes Act, 1876.	The whole.
"	VIII	The Land Regulation Act, 1876.	In section 1, the words "from and to the end."
1878	V	Local Government	Section 2 and the Schedule.

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THE THIRD SCHEDULE—*contd.*

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1878	VIII	The Bengal Taxes Act, 1878	The concluding paragraph of section 3.
1870	I	The Ghata Rajpur Land Revenue and Tenant Eviction Act.	In section 5, the words "except in the town of Calcutta, and the words and figures" and, in the said town, the provisions of sections 106, 107 and 108 of the Presidency Magistrates' Act.
"	II	Post Lodging-houses	In section 1, the words "and the Tribunal" shall be General.
"	III	Steam-boilers and Engines	Section 3 and 4.
"	IV	Police	In section 137, the words "and figures" shall be General.
"	V	Calcutta Suburban Police	Schedule A.
"	VI	The Bengal Survey Act, 1873.	In the preamble, the words "and figures" shall be General.
"	VII	The Bengal Irrigation Act, 1876.	In the preamble, the words "and figures" shall be General.
"	VIII	The Agrarian Disputes Act, 1876.	In section 1, the words "from and to the end."
"	IX	The Land Regulation Act, 1876.	In section 1, the words "from and to the end."
"	X	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XXXIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XL	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	XLIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	L	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXIV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXV	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXVI	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXVII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXVIII	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXIX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.
"	LXXXX	The Bengal Taxes Act, 1878	In section 3, the words "and figures" shall be General.

THE THIRD SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1893	I	The Licensed Warehouse and Fire-brigade Act, 1893— <i>contd.</i>	In section 27, the words <i>and figures</i> or at the end of any line, substituted to the circumstances of the fire-brigade under the provisions of Act IV of 1893 at the time when this act comes into force.
1894	I	The Licensed Warehouse and Fire-brigade Amendment Act, 1894.	In section 1, the words <i>from and shall do</i> at the end.
"	II	Calcutta Port	Sections 4 and 5.
"	III	The Calcutta Tramways Act, 1894.	Section 1.
"	IV	Municipalities	In section 1, the words <i>from and it shall do</i> at the end.
"	VI	Municipalities	In section 1, the words <i>from and it shall do</i> at the end.
1895	I	The Public Demands Recovery Act, 1895.	Sections 5, 9, 48, 51, 77, 88 and 89.
"	II	Calcutta and Suburban Police	The whole.
"	IV	Calcutta Port	Section 1, sub-section (2).
"	VI	Calcutta Port	Section 1, sub-section (2).
"	VII	The Blanket Cases Regulation Act, 1895.	In section 3, the words <i>and figures</i> as amended by section 4 of Act IV of 1895 of 1895 (B. C.). In section 5, the words <i>and figures</i> as amended by section 14 of Act IV of 1895 (B. C.). In section 6, the words <i>and figures</i> as amended by section 16 of Act IV of 1895 (B. C.). The whole.

THE THIRD SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1895	VIII	The Bengal Vaccinary Diseases Act, 1895.	Part III.— <i>Bengal Acts—contd.</i> Section 1, sub-section (3).
"	IX	The Calcutta Electric Lighting Act, 1895.	Section 1, sub-section (2).
1896	II	Municipalities	Section 1, section 9, sub-section (4), and section 18.
1897	I	Public Demands Recovery	Sections 1 and 3.
"	IV	The Chitra-Nagpur Communication Act, 1897.	Section 2.
1898	I	The Calcutta Police Act, 1898.	In section 1, the word <i>and</i> , and sub-section (2).
"	II	The Calcutta Port (Amendment) Act, 1898.	In section 1, the word <i>and</i> , and sub-section (2).
"	III	The Bengal Vaccinary (Amendment) Act, 1898.	In section 1, the word <i>and</i> , and sub-section (2).
1899	I	The Bengal General Clauses Act, 1899.	Section 11. Section 2.
"	III	The Calcutta Municipal Act, 1899.	In section 1, the words <i>and figures</i> and (2) it shall come into force on the first day of April, 1900. The proviso to section 1. In section 2, the words <i>and figures</i> Or and from the said first day of April, 1900. Section 60, sub-section (1).
1900	I	The Duvivier Municipal Act, 1900.	In the preamble, the words <i>and to provide for the temporary exercise by the Local Government of certain powers of the Commissioners of the Districting Municipality.</i> Section 23. Part II (sections 24 to 28). Sections E, F and G.
"	II	The Calcutta Municipal Act, 1900.	The whole.

THE THIRD SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or Statute.	Extent of repeal.
<i>Part III.—Bengal Acts—contd.</i>			
1875	IX	The Court of Wards Act, 1875.	In section 2, the words and figures from And all suits to the end.
1880	I	The Calcutta Treasury's Act, 1880.	In section 1, the words from and it shall to the end.
"	VI	The Bengal Drainage Act, 1880.	In section 1, the words from and it shall to the end.
"	VIII	The Bengal Oculogenic Diseases (Amendment) Act, 1880.	Sections 60 to 63.
"	IX	The Gas Act, 1880.	In section 1, the words from and it shall to the end.
1881	V	The Calcutta Postal Branch Act, 1881.	In section 1, the words from and it shall to the end.
1882	VI	The Bengal Ranthambur Act, 1882.	In section 1, the words from and it shall to the end.
"	"	"	In section 2, the words from and it shall to the end.
1888	I	Amendment of the Calcutta Municipal Act, 1884.	In section 1, the words from and it shall to the end.
"	II	Amendment of the Calcutta Municipal Act, 1884.	In section 1, the words from and it shall to the end.
"	III	Amendment of the Calcutta Municipal Act, 1884.	In section 1, the words from and it shall to the end.

THE THIRD SCHEDULE—contd.

1	2	3	4
Year.	No.	Subject or Statute.	Extent of repeal.
<i>Part III.—Bengal Acts—contd.</i>			
1884	V	Calcutta Municipality.	The whole.
1886	I	Village Committees.	In section 1, the words from from the date to the end.
"	II	Calcutta and Suburban Police.	Section 1.
"	III	Municipalities.	Section 1.
1887	I	The Calcutta Survey Act, 1887.	In section 1, the words from and shall to the end.
"	V	The Calcutta Nagar Municipal Police Act, 1887.	In section 1, the words from and shall to the end.
"	"	"	In section 2, the words from and shall to the end.
1888	I	Municipalities.	The whole.
"	III	The Howrah Bridge Act, 1888.	In section 2, the words from and it shall to the end.
1889	III	Amendment of the Calcutta Municipalities Act, 1889.	The whole.
"	IV	Calcutta Municipalities.	Section 1.
1890	I	Calcutta and Suburban Police (Amendment) Act, 1890.	Sections 1 and 3.
"	II	Calcutta and Suburban Police (Amendment) Act, 1890.	Section 1.
1891	II	The Calcutta Highway Carriage Act, 1891.	Section 1, sub-section (2).
1893	I	Village Committees.	Section 2, sub-section (1), and sections 3 and 13.
1894	I	The Idemard Wasthouse and Rice-Storage Act, 1894.	Section 1, sub-section (2).
"	"	"	In section 4, the words from and after the commencement of this Act.

THE THIRD SCHEDULE—*contd.*

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1880	II	<i>Part IV.—Madras Acts.</i> Repealing Madras Act III of 1868.	The whole.
1881	II	Repealing Madras Act I of 1888.	The whole.
1882	II	Repealing Madras Regulation XIV of 1816.	The whole.
1872	I	<i>Part V.—Bombay Acts.</i> Police, Bombay Town.	So much as is unrepealed.
1872	I	District Municipalities.	So far as it is unrepealed.
"	II	Police, Bombay Town.	The whole.
1889	IV	Police, Bombay Town.	The whole.
1886	IV	Jurat Boards and District Municipalities.	In the title, the words <i>and Agriars</i> and the Bombay District Municipal Act Amendment Act, 1884.
1888	I	Town Boards and District Municipalities.	Section 4 and the preamble, prefixed thereto.
1892	III	The Bombay Abkari Act Amendment Act, 1892.	In the title and preamble the words <i>and Agriars</i> and the Bombay District Municipal Act Amendment Act, 1884.
1894	I	<i>Part VI.—United Provinces Act.</i> Repealing the Town Regulation, 1876.	The whole.
1871	I	<i>Part VII.—Regulations made under the Government of India Act, 1870 (SS & 24 Act., a. 1).</i> Peshwar District Constitution Regulation, 1871.	The whole.

THE THIRD SCHEDULE—*contd.*

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1872	III	<i>Part VII.—Regulations made under the Government of India Act, 1870 (SS & 24 Act., c. 2)—contd.</i> The Southal Parganas Settlement Regulation.	So much of section 8, sub-section (1), and the schedule (as amended by section 2 of the Southal Parganas Justice and Terms Regulation, 1893) as relates to the following enactments, namely:— Act XXXVIII of 1850 (The Sale of Salt Revenue Act, 1850); Act XV of 1869 (The Prisoners' Custody Act, 1869); Act I of 1869 (The Assam Labour and Emigration Act, 1869); Act IX of 1869 (The Prisoners' Act Amendment Act, 1869); Act V of 1868 (The Inventions and Designs Act, 1868), section 2; Act VII of 1868 (The Indian Emigration Act, 1868); Act VII of 1891 (The Prisoners' Act (1871) Amendment Act, 1891); Bengal Act I of 1869 (The Indian Emigrants' Health Act, 1869); Bengal Act VI of 1884 (Acquaintances); Bengal Act V of 1885 (The Lepers' Act, 1885); and Regulation III of 1886 (The Northal Parganas Laws Regulation, 1886).
1872	V	Bengal Escheat Proviser Regulation, 1872.	In section 25 the words <i>if any suit affecting such rights be pending at the time when this Regulation shall come into operation</i> , et.
1872	IX	The Arabian Hill District Laws Regulation, 1872.	In the preamble, the words <i>and Chittagong Bills</i> . So much of section 3 and the Schedule as relates to Act XXXIV of 1865 (Repeal of judgments of Quarter Courts) and Act XXXII of 1867 (The Chief Commissioners' Powers Act).

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THE THIRD SCHEDULE.—contd.

1	2	3	4
Year.	No.	Subject or short title.	Section or clause.

Part VII.—Regulations made under the Government of India Act, 1870 (32 & 34 Fed., c. 3) —contd.

1881	III	The Chittagong Hill Tracts Frontier Police Regulation, 1881.	In section 1, the words "from and to" shall be deleted.
1886	II	The Special Parkans Act Regulation, 1886.	The preamble to sub-section 1, sub-section (2), and section 5, in section 3, sub-section (1), the words "and figures" under Bengal Act VIII of 1880.
"	III	The Special Parkans Laws Regulation, 1886.	So much as is unreppeled.
"	VII	The Upper Burma Criminal Justice Regulation, 1896.	So much as is unreppeled.
1896	I	The British Bahuchistan Laws Regulation, 1896.	So much of section 3, sub-section (1), and the schedule as relates to Act XVI of 1873 (Lancetia Settlements).
"	VI	Criminal Justice, Upper Burma.	The words "Section 2."
1893	V	The Special Parkans Justice Regulation, 1893.	Section 2.
"	IX	The Alwar Foresting and Amending Regulation, 1893.	In the title, the words "to repeal certain obsolete enactments" and, and the words "and" shall be deleted.
"			In the preamble the words "from" shall be deleted.
"			In section 1, the words "and" shall be deleted.
"			In section 2, sub-section (1), section 2 and the First Schedule.

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THE THIRD SCHEDULE.—contd.

1	2	3	4
Year.	No.	Subject or short title.	Section or clause.

Part VIII.—Regulations made under the Government of India Act, 1870 (32 & 34 Fed., c. 3) —contd.

1896	III	The District Regulation, 1896.	So much of section 3, sub-section (1), and the schedule as relates to the following Acts, namely:— Act XIV of 1868 (Post Office); Act I of 1868 (General Clauses); Act XV of 1868 (Prisoners' Testimony); Act X of 1870 (Land Acquisition); Act XXVI of 1870 (Prisons); Act I of 1879 (Simpang); Act X of 1882 (Criminal Proceedings); Act XVIII of 1883 (Districts); Act I of 1887 (General Clauses); Act XII of 1890 (Taxation); Legal Act II of 1864 (Jails); and Bengal Act V of 1897 (Banant (Classes).
1896	III	The Special Parkans Justice Regulation, 1896.	In section 1, the word "and", and sub-section (2).
1900	III	The Chittagong Hill Tracts Regulation, 1900.	Section 20.
1900	III	The British Bahuchistan Laws Regulation, 1900.	In section 1, the words "and" shall be deleted.
1900	VI	The North-West Frontier Province Law and Justice Regulation, 1900.	So much of Part I of the First Schedule as relates to section 31 of the Prisons Act, 1900.

CASE NO.:
Writ Petition (civil) 171 of 2003

PETITIONER:
Centre for Public Interest Litigation

RESPONDENT:
Union of India & Anr.

DATE OF JUDGMENT: 16/09/2003

BENCH:
S. RAJENDRA BABU & G.P.MATHUR

JUDGMENT:
J U D G M E N T

(WITH WRIT PETITION (CIVIL) NO. 286 OF 2003)

RAJENDRA BABU, J.

In these two writ petitions filed in public interest the petitioners are calling in question the decision of the Government to sell majority of shares in Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL) to private parties without Parliamentary approval or sanction as being contrary to and violative of the provisions of the ESSO (Acquisition of Undertaking in India) Act, 1974, the Burma Shell (Acquisition of Undertaking in India) Act, 1976 and Caltex (Acquisition of Shares of Caltex Oil Refining India Limited and all the Undertakings in India for Caltex India Limited) Act, 1977.

The petitioners contended that in the Preamble to these enactments it is provided that oil distribution business be vested in the State so that the distribution subserves the common general good; that, further, the enactments mandate that the assets and the oil distribution business must vest in the State or in Government companies; that, they are not opposed to the policy of disinvestment but they are only challenging the manner in which the policy of disinvestment is being given effect to in respect of HPCL and BPCL; that, unless the enactments are repealed or amended appropriately, the Government should be restrained from proceeding with the disinvestment resulting in HPCL and BPCL ceasing to be Government companies. It is further submitted that disinvestment in HPCL and BPCL could result in the State losing control over their assets and oil distribution business and, therefore, it is contrary to the object of the enactments.

It is the submission of the learned counsel for the petitioners that acquisition of HPCL and BPCL has taken place in pursuance of Article 39(b) of the Constitution; that, Article 39(b) subserves the object of building a welfare State and an egalitarian social order; that, therefore, these enactments have been passed with the object of giving effect to Article 39(b) of the Constitution and the provisions of the enactment provide for vesting of these undertakings in the State or in a Government company; that, it is not open to the Government to disinvest the same without first changing the law in this regard either by repealing the enactments or by making appropriate changes by way of amendments in the enactments. The learned counsel further relied upon a decision of Superior Court of Justice of Ontario between Brian Payne vs. James Wilson and Her Majesty the Queen in Right of Ontario dated April 19, 2002. In that decision the Superior Court of Justice of Ontario declared that any sale of the common shares of Hydro One Inc. held in the name of Her Majesty in right of Ontario, whether pursuant to an initial public offering of common shares or by way of a secondary offering, or

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otherwise, contravenes sub-section 48(1) of the Electricity Act, 1998. In that enactment Section 48(1) provides that the Lieutenant Governor in Council may cause two corporations to be incorporated under the Business Corporations Act and shares in those corporations may be acquired and held in the name of Her Majesty in right of Ontario by a member of the Executive Council designated by the Lieutenant Governor in Council. That order was appealed to the Court of Appeal of Ontario. During pendency of the appeal the Electricity Act, 1998 was amended by replacing Section 48(1) thereof which expressly authorises the Minister of Environment and Energy to dispose or otherwise deal with the shares of the Hydro One Inc. and on that basis, disposed of the appeal. It was further noticed in that decision that the reasons given by the Superior Court of Justice cannot be read as a general pronouncement on the rights of the Crown to deal with its assets; that, the learned Judge purported to analyse a specific provision in a specific Act; that, he did so in the context of the entirety of the Electricity Act, 1998, the specific circumstances surrounding its enactment and the comments of the Minister responsible for that specific Act.

In the counter-affidavits filed on behalf of the contesting respondents, it is urged that the policy of disinvestment followed by the Government of India has been upheld by this Court in BALCO Employees' Union vs. Union of India, 2002 (2) SCC 333; that the decision to disinvest and the implementation thereof is purely an administrative decision relating to the economic policy of the State; that, it is the prerogative of each elected Government to follow its own policy; that, the contention of the petitioners that prior approval of Parliament for disinvesting Government's holding in HPCL and BPCL is not necessary since in the Acquisition Act setting up these companies there are no restrictions on the disinvestment of these companies; that, the said companies are registered under the Companies Act, 1956; that, the sale of shares thereof do not require Parliamentary approval; that, the Memorandum and Articles of Association of the said companies also do not contain any such restriction on transfer of shares; that, the Acts in question have worked themselves out after acquisition; that, the provisions of the Companies Act, 1956 and Securities and Exchange Board of India's guidelines govern the companies in question under which there are no restrictions on disinvesting Government share holding in these companies; that, there is no other statutory bar to such sale of shares; that, indeed, the Disinvestment Commission examined the issues relating to disinvestment of IBE Co. Ltd. and found that there was no necessity of Parliamentary approval for its disinvestment; that, in fact, shares in HPCL and BPCL were sold during the period 1991-92 to 1993-94 through executive decisions; that, similarly, another public sector undertaking, Maruti Udyog Limited where acquisition was through an Act of Parliament, was disinvested through executive decisions over the last two decades; that, even in those cases, Parliamentary approval was not required and the present case does not stand on a different footing as the legal regime is similar; that, in the enactments in question there are no express or implied provisions restraining transfer of shares of HPCL or BPCL; that, oil is an important sector of the economy and can grow only with increasing efficiency and that the key to efficiency is competition and disinvestment is an important instrument to achieve competition; that, after dismantling of the Administered Prices Mechanism with effect from 1.4.2002, the Government's main responsibility in the petroleum sector is laying down the broad policy framework with the objectives of ensuring oil security in the country and protecting the interests of consumers; that, under the ensuing market scenario in the oil sector, there is a need for an independent statutory regulatory mechanism to ensure competition, encourage investment and protect consumers' interest in the oil sector; that, steps have been taken to introduce in Parliament a Bill for establishing a statutory regulatory authority; that, two private parties viz., M/s Reliance Industries Limited and Essar Oil Limited, have already been granted authorisations to market transportation fuels and the Government has already deregulated Exploration and Production, Refining and

Pipelines; that, there is now widespread private sector participation in Exploration and Production, Refining and Pipelines; that, petroleum sector and consumers are expected to benefit as a result of such increased competition; that, in this global economic scenario and the need for greater private participation and private finance initiative, disinvestment by Government of its share holding in State owned companies is an instrument of economic policy accepted globally. It is also brought to our notice by him that assets of the HPCL and BPCL were acquired by the Central Government through Acts of Parliament but in course of time of more than quarter of a century the assets have changed their nature and today they bear hardly any resemblance to the assets which were acquired under the statutes; that most of the present assets of the two companies have been acquired after acquisition by means of investment by the Government and those assets which were initially acquired under statute have also been transformed into substantially different assets; that, data placed before the Court will clearly indicate that the assets of HPCL and BPCL today have only a remote semblance to the assets that had been acquired in 1974 and 1976 and a large proportion of the assets of the two companies have been added after acquisition; that, even the assets that were taken over are no longer the same as capital has been spent on them over the past several years; that, all these assets now belong to HPCL and BPCL which are incorporated under the Companies Act, 1956; that, at the highest, the petitioner's contention can be that the assets taken over cannot be privatised but there clearly cannot be any requirement of Parliamentary approval or sanction for disposal of assets added post-acquisition; that, assets acquired by HPCL and BPCL either by acquisition through legislation or through purchase have all now indistinguishably merged and form the assets of the companies, disposal of which will be governed only by the provisions of the Companies Act, 1956 and there is no need for any Parliamentary approval or sanction. In this context, he relied upon the decisions of this Court in *Western Coalfields Limited vs. Municipal Council, Birsinghpur Pali & Anr.*, 1999 (3) SCC 290, and *Municipal Commissioner of Dum Dum Municipality & Ors. vs. Indian Tourism Development Corporation & Ors.*, 1995 (5) SCC 251, to indicate the nature of holding by a Government company of the assets held by it.

In addition, Shri Harish Salve contended that as per Section 7 of the Act, the Central Government may vest the assets acquired by it in any Government company which becomes a complete owner of the acquired assets and the Central Government has no further interest in the assets so transferred to the companies. The company holding the acquired assets is like any other company incorporated under the Companies Act; that such companies do not hold or administer these properties for and on behalf of the Central Government; that there is no express or implied prohibition in Section 7 of the Act on the transfer by the Central Government of its shares in these companies; that, the only reason why the assets were acquired by the Government by legislation was that part of the assets included the marketing part of a foreign company; that the parliamentary debates specifically show that the understanding was that for the transfer of the shares and assets in an Indian company did not require the enactment of a Law. That part of the assets belonging to the two oil companies were obtained by negotiated purchase, rather than through acquisition; that in the case of *Burmah Shell*, the assets belonging to the Indian subsidiary were bought through a commercial transaction; that, it cannot be gainsaid that the companies are free to sell off their assets without any change in the law; that thus if the companies desire to sell off at this distance of time the old machinery inherited by them (and the value of which is a small fraction of its current net worth), there is no legal embargo even if it amounts to the company no longer holding any of the assets vested in after nationalisation; that if the contention of the petitioners is accepted, the Central Government cannot sell its shares even in such a company; that, the definition of a Government Company can be amended under the Companies Act generally and unrelated to purposes nationalisation laws or can amalgamate these companies with

another company which may ultimately impact the Central Government's shareholding; that thus, there is nothing in law to prevent the Central Government to amend the articles to provide that even if it continues to hold 51%, it will not interfere in the management with the private strategic partner who holds less shares; that the Government can attain the same object in a manner more favourable to the Government viz. by selling off its shares to reduce its holding; that, the submission that the policy underlying a statute has to be determined from a reading of the preamble; and that reference to the preamble of a statute can be had only when the words of a statute are ambiguous and placed reliance on *Smt. Sita Devi (Dead) by IAs. v. State of Bihar & Ors.* 1995 Supp (1) SCC 670, para 2; that, the legislative policy as spelt out in the preamble which is to ensure that the assets are so managed and the undertaking is so run to ensure that its business remains vested in the State so that it can be run for the public good; that even by transfer of a company other than Government company the assets can be distributed in a manner that would subserve the common good and "the common good" is a matter of economic policy; that with the passage of time, the needs of the economy may dictate changes a change cannot be condemned on the ground that it would be detrimental to common good. In this context, it is submitted that the nationalisation was a part of a larger policy to bring in the oil sector under Government control; that, the control of the oil sector was not attained by a legislation but by administrative policy; that the prices of oil products were also controlled by executive orders. These have been all modified by the Government in exercise of executive power; that in view of these changes, the continuance of Government ownership of shares in these companies is no longer considered to be necessary; that the perception now is that the "common good" will best be subserved by the privatisation of these undertakings; that this perception is a matter of economic policy not amenable to judicial review.

We start our discussion of the matter from a constitutional angle. When the government decides to set up a new company, the investment for setting it up is shown as a 'new instrument of service' and exhibited separately in the demand for grants for the concerned Ministry while presenting the Annual Budget. Under Article 113(2) of the Constitution, estimates are presented to Parliament in the form of demand for grants. This fulfills the technical requirement of parliamentary approval when a new company is set up. The President, in exercise of his powers conferred under Article 113(2) of the Constitution has framed the General Financial Rules, in which under Rule 71, it is provided that no expenditure shall be incurred during a financial year on a new service not contemplated in the Annual Budget for the year except after obtaining the supplementary grant or an advance from the Contingency Fund. Setting up a new public sector company is defined as a 'new instrument of service' for which approval of Parliament is required for expenditure from the Consolidated Fund of India. If this is the background in which a new company is set up, can such a company be dismantled without some kind of parliamentary mandate? In this background we will now consider the case on hand.

The pleadings filed and the arguments raised before this Court indicate that the question for consideration before us is whether or not there is any express or implied limitation on the Government to privatise EPCL and BPCL. It is no doubt true that the two companies are Government companies and being instrumentalities of the State, they can enter into contracts among other things, but question is whether this power is circumscribed by any statute either expressly or by necessary implication. It is also clear that there is no provision in the Act expressly stating that the Government shall, at all times, hold not less than 51% of the paid-up capital of each corresponding new company, as has been stated in the Banking Companies (Acquisition & Transfer of Undertakings) Act. Nor is there any provision as in the Coal Mines Nationalisation Act, 1973 to the effect that "no person, other than the Central Government or a Government company or a corporation owned, managed, or controlled by

the Central Government shall carry on coal mining operation, in India, in any form".

For the purpose of understanding the provisions we will set out the relevant provisions of one of the enactments. We make it clear that the three enactments stated above in this case are identical.

Preamble to the ESSC (Acquisition of Undertaking in India) Act, 1974 (hereinafter referred to as 'the Act') reads as follows :-

"An Act to provide for the acquisition and transfer of the right, title and interest of ESSC Eastern Inc. in relation to its undertakings in India with a view to ensuring co-ordinate distribution and utilisation of petroleum products distributed and marketed in India by Esso Eastern Inc. and for matters connected therewith or incidental thereto.

WHEREAS Esso Eastern Inc., a foreign company, is carrying on, in India the business of distribution and marketing petroleum products manufactured by Esso Standard Refining Company of India Limited and Lube India Limited, and has, for that purpose, established places of business at Bombay and other places in India;

AND WHEREAS it is expedient in the public interest that the undertakings, in India, of Esso Eastern Inc. should be acquired in order to ensure that the ownership and control of the petroleum products distributed and marketed in India by the said company are vested in the State and thereby so distributed as best to subserve the common good;"

Section 2(d) of the Act defines a 'Government company' to mean "a company as defined in section 617 of the Companies Act, 1956." Section 617 of the Companies Act, 1956 provides that a Government company means "any company in which not less than 51% of the paid-up share capital is held by the Central Government or by any State Government or Governments partly by the Central Government or partly by one or more State Governments and includes a company which is subsidiary of the Government company". Thus, holding of only 51% or more of the share in a company either by the Central Government or State Government makes a company a Government company. Chapter II of the Act provides for acquisition of the undertakings in India of Esso companies. Section 3 provides for transfer and vesting in the Central Government of the undertakings of Esso in India. Section 4 provides for general effect of vesting. Section 5 provides for the Central Government to be lessee or tenant under certain circumstances. Section 6 deals with removal of doubts. For the present purpose, Section 7 of the Act is important and it reads as follows :-

"Section 7(1). Notwithstanding anything contained in sections 3, 4 and 5, the Central Government may, if it is satisfied that a Government company is willing to comply, or has complied, with such terms and conditions as that Government may think fit to impose, direct, by notification, that the right, title and interest and the liabilities of Esso in relation to any undertaking in India shall, instead of continuing to vest in the Central Government, vest in the Government company either on the date of the notification or on such earlier or later date (not being a date earlier than the appointed day) as may be specified in the notification.

(2) where the right, title and interest and the liabilities of Esso in relation to its undertakings in India vest in a Government company under sub-section (1), the government company shall, on and from the date of such vesting, be deemed to have become the

owner, tenant or lessee, as the case may be, in relation to such undertakings, and all the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting, be deemed to have become the rights and liabilities, respectively, of the Government company.

(3) the provisions of sub-section (2) of section 5 shall apply to a lease or tenancy, which vests in the Government company, as they apply to a lease or tenancy vested in the Central Government and reference therein to the "Central Government" shall be construed as a reference to the Government company."

Section 7 provides that subject to the conditions that may be imposed by the Government, right, title and interest and liabilities of Esso in relation to any undertaking in India can be vested in a Government company and sub-section (2) thereof enables such Government company to become the owner from such date.

In order to interpret the enactments in question it is necessary to look to the Preamble to the Act. The Preamble to the Act clearly stated that acquisition is done "in order to ensure that the ownership and control of petroleum products, distributed and marketed in India by the said company are vested in the State and thereby so distributed as best to subserve the common good." (emphasis supplied). Preamble, though does not control the statute, is an admissible aid to construction thereof. The Act sets out that the assets of the undertaking shall vest in the Government as provided under Section 3 of the Act. However, Section 7 of the Act enables the Government to transfer the undertaking to a Government company as defined under Section 617 of the Companies Act, 1956. If the Act intended that the undertaking so vested in the Government company can be transferred, wholly or partly, to any company other than a Government company, there certainly would have been an indication to that effect in the Act itself. The question, therefore, is whether absence of specific provision as contained in the Banking Companies (Acquisition & Transfer of Undertakings) Act or in the Coal Mines Nationalisation Act, 1973 that the share holding shall always be held by Government, will give a different complexion to these provisions. When the provisions of the Act provide for vesting of the property of the undertaking in the Government or a Government company, it cannot mean that it enables the same being held by any other person, particularly in the context that the object of the Act is that the ownership and control of the petroleum products is distributed and marketed in India by the State or Government company and that thereby so distributed as best to subserve the common good. The argument that there is no specific provision in the Act as contained in the Banking Companies (Acquisition & Transfer of Undertakings) Act or in the Coal Mines Nationalisation Act, 1973 does not carry the matter any further because the idea embedded in those provisions are implicit in the provisions of this enactment, as explained earlier. If disinvestment takes place and the company ceases to be a Government company as defined under Section 617 of the Companies Act, to say that it is still a Government company as contemplated under Section 7 of the Act will be a fallacy. What is contemplated under Section 7 of the Act is only a Government company and no other. In relation to a Government company Sections 224 to 233 are substituted and the audit of the company takes place under the supervision and control of the Comptroller & Auditor General of India who shall give effect to Section 224 (1-B) (1-C). The Auditors shall submit a report to the Comptroller & Auditor General of India and even when audit takes place, subject to his instructions, Comptroller & Auditor General of India may also conduct supplementary audit and a test audit. Under Section 19(1) of Comptroller & Auditor General's (Duties, Powers and Conduct of Service) Act, 1971 audit of companies is to be conducted by him in terms of the Companies Act. Annual Reports on the working of affairs of the company is laid before Parliament under Section 619(1) (b) of the Companies Act. Such

control will be lost if a company ceases to be a Government company.

Argument of Sri Harish Salve that a simple amendment of Section 617 of the Companies Act unrelated to the acquisition can alter the position in law is only perceived but not attained and hence does not require any examination. He contended that to facilitate disinvestment of the shares the public sector enterprises are allowed to list the shares on Stock Exchanges, irrespective of the percentage of shares disinvested by the Government and, therefore, submitted that there is no need for the Government to obtain Parliamentary approval. Sales of shares of these companies, though uninhibited, cannot be to such an extent so that the substratum of the character of the Government companies is allowed to be lost and converted into an ordinary company without being approved by the General Body of shareholders and, in this case, the Government. Government, in turn, is subject to the statutory limitations, to which we have adverted to now. Hence, the argument begs the question which is put in issue before us.

Again accretions to the Government company's assets subsequent to acquisition of the undertaking is an irrelevant factor in the context of the question we are considering. Here what is required to be seen is, not which asset can be transferred or not, but whether the undertaking can change its character from a Government company to ordinary company without Parliamentary clearance in the light of the statute of acquisition.

The debate as to whether a privatization law is necessary has been going on all over the world. This aspect has been discussed by Pierre Guislain in his book entitled 'The Privatization Challenge' published by the World Bank. The views of the learned Author are reproduced hereunder:

"Whether a country needs to enact a privatization law or can do without one depends on several factors: the political situation and legal traditions of the country, the scope of its privatization program, and the nature of the enterprises to be privatized. Two different issues have to be addressed: does legislation need to be enacted to authorize or facilitate privatization, and if so, should the new provisions take the form of amendments to the pertinent laws or be grouped together in a specific privatization law?

Some countries have opted to enact privatization laws even when privatization could have been implemented without amending the existing legislation. This may have the advantage of mobilizing explicit political support and commitment in favour of privatization from the very start. It may confer a stronger, clearer mandate on the government and agencies in charge of implementing privatization and make them more accountable. A privatization law also provides an opportunity to introduce changes in legislation that, although not required for commencing the process, may substantially facilitate it. On the other hand, a privatization law involves risks, including potentially long delays in getting parliament approval, the sometimes excessively restrictive scope of legislative provisions, and a tendency on the part of some parliaments to interfere too much in the implementation of privatization transactions. Furthermore, special legislation may not be needed for the transfer of the subsidiaries, participations, or assets of State Owned Enterprises or public holding companies." [pp.296-297]

The learned Author has further enunciated that if legislation is to be brought for privatization, the same should reflect the broad political lines of the privatization strategy and programme and that it should also endow the Government or privatization agency with the required implementation powers, and it should avoid restrictions that may unduly tie the hands of the executing agencies and slow down the process. The legislation must

allow adequate flexibility, in the choice of the privatization technique best suited to each, while providing basic safeguards guaranteeing the integrity and efficiency of the process. Success of the programme hinges on, among other things, a basic consensus among Parliament, Government, and head of state on the scope and broad lines of the programme; a clear mandate given to the executing agencies along with the powers necessary for fulfilling that mandate; and unambiguous, flexible, and competitive privatization procedures applied in a transparent manner by officials accountable for their actions.

Apart from United Kingdom, there have been privatization programmes in France and Italy in Europe. Similarly massive programme has been carried out in Argentina, Mexico and Brazil. In these countries, Privatization Acts have been enacted and numerous routes are adopted to achieve privatization, some of which are illustrated below:

1. A public offering of shares combined with a listing on the stock exchange has brought share ownership to many millions of people and have been the mechanism through which the Government's desire to widen share ownership has been brought to fruition.
2. A trade sale to another private sector company or to a consortium and such a transaction is inherently more private than a share offering and some of the privatizations executed in this manner have faced some criticism for being insufficiently open to public examination and debate.
3. A 'management buy-out' where the public sector entity's management team combine together to raise finance and, in conjunction with the financier, purchase the business through a newly formed vehicle company.
4. A private placing of shares in a business with a group of investors.
5. Making State assets available under concession so that the assets may then be worked out by the concessionary.
6. Special features of making provision for a golden share that is a special share in the privatized entity which is retained by the Government and which typically entrenches certain provisions within the company's articles of association in such a way as to prevent specified changes occurring without the consent of the Government. Such processes are adopted in certain businesses which are important in defence and strategic grounds and so should be insulated from the possibility of take over or, more generally, that businesses which are new to the private sector should not be blown off course by an unsolicited take over offer made early in their newly private lives. This special share can be a double-edged sword and it may give protection to the Government in certain sensitive circumstances but leave the Government with the risk of incurring the wrath of shareholders who would be denied the right to accept what might be a very attractive offer for their shares.
[Wide C.Graham and T. Prosser Golden Shares : Industrial Policy by Stealth]
7. There were certain other categories where debt equity swaps were followed.

We have an overview of the position world over on whether there is any need for law regarding privatisation or what routes are to be adopted for achieving the same. Irrespective of those considerations, we base our decision on the statutes with which we are concerned.

In the case of BALCO (supra) executive action to disinvest was not challenged probably due to the fact that there was no statutory backing of the nature with which we are concerned in the present case. In the case of Maruti Udyog Limited (supra), though acquired under an enactment, there was no challenge to the same to disinvest merely by executive action. Thus, these cases stand on a different footing.

There is no challenge before this Court as to the policy of disinvestment. The only question raised before us whether the method

adopted by the Government in exercising its executive powers to disinvest HFCL and BPCL without repealing or amending the law is permissible or not. We find that on the language of the Act such a course is not permissible at all.

In the result, we allow these petitions restraining the Central Government from proceeding with disinvestment resulting in HFCL and BPCL ceasing to be Government companies without appropriately amending the statutes concerned suitably.

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Case No.:
Writ Petition (civil) 310 of 1996

PETITIONER:
Prakash Singh & Ors

RESPONDENT:
Union of India and Ors

DATE OF JUDGMENT: 22/09/2006

BENCH:
Y.K. Sabharwal, C.K. Thakker & P.K. Balasubramanian

JUDGMENT:
J U D G M E N T

Y.K. Sabharwal, CJI.

Considering the far reaching changes that had taken place in the country after the enactment of the Indian Police Act, 1861 and absence of any comprehensive review at the national level of the police system after independence despite radical changes in the political, social and economic situation in the country, the Government of India, on 15th November, 1977, appointed a National Police Commission (hereinafter referred to as 'the Commission'). The commission was appointed for fresh examination of the role and performance of the police both as a law enforcing agency and as an institution to protect the rights of the citizens enshrined in the Constitution.

The terms and reference of the Commission were wide ranging. The terms of reference, inter alia, required the Commission to redefine the role, duties, powers and responsibilities of the police with special reference to prevention and control of crime and maintenance of public order, evaluate the performance of the system, identify the basic weaknesses or inadequacies, examine if any changes necessary in the method of administration, disciplinary control and accountability, inquire into the system of investigation and prosecution, the reasons for delay and failure and suggest how the system may be modified or changed and made efficient, scientific and consistent with human dignity, examine the nature and extent of the special responsibilities of the police towards the weaker sections of the community and suggest steps and to ensure prompt action on their complaints for the safeguard of their rights and interests. The Commission was required to recommend measures and institutional arrangements to prevent misuse of powers by the police, by administrative or executive instructions, political or other pressures or oral orders of any type, which are contrary to law, for the quick and impartial inquiry of public complaints made against the police about any misuse of police powers. The Chairman of the Commission was a renowned and highly reputed former Governor. A retired High Court Judge, two former Inspector Generals of Police and a Professor of TATA Institute of Special Sciences were members with the Director, CBI as a full time Member Secretary.

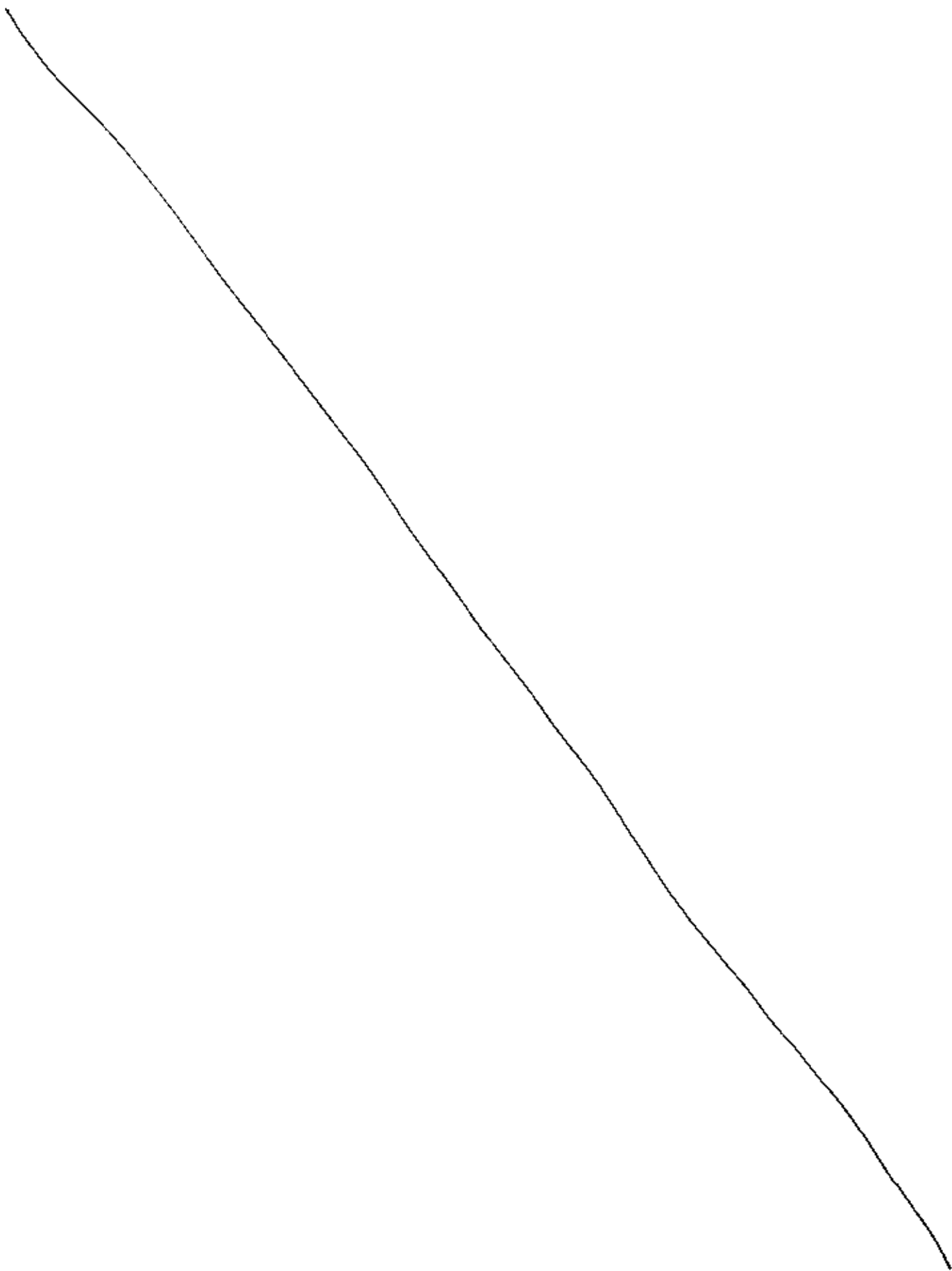
The Commission examined all issues in depth, in period of about three and a half years during which it conducted extensive exercise through analytical studies and research of variety of steps combined with an assessment and appreciation of actual field conditions. Various study groups

comprising of prominent public men, Senior Administrators, Police Officers and eminent academicians were set up. Various seminars held, research studies conducted, meetings and discussions held with the Governors, Chief Ministers, Inspector Generals of Police, State Inspector Generals of Police and Heads of Police organizations. The Commission submitted its first report in February 1979, second in August 1979, three reports each in the years 1980 and 1981 including the final report in May 1981.

In its first report, the Commission first dealt with the modalities for inquiry into complaints of police misconduct in a manner which will carry credibility and satisfaction to the public regarding their fairness and impartiality and rectification of serious deficiencies which militate against their functioning efficiently to public satisfaction and advised the Government for expeditious examination of recommendations for immediate implementation. The Commission observed that increasing crime, rising population, growing pressure of living accommodation, particularly, in urban areas, violent outbursts in the wake of demonstrations and agitations arising from labour disputes, the agrarian unrest, problems and difficulties of students, political activities including the cult of extremists, enforcement of economic and social legislation etc. have all added new dimensions to police tasks in the country and tended to bring the police in confrontation with the public much more frequently than ever before. The basic and fundamental problem regarding police taken note of was as to how to make them functional as an efficient and impartial law enforcement agency fully motivated and guided by the objectives of service to the public at large, upholding the constitutional rights and liberty of the people. Various recommendations were made.

In the second report, it was noticed that the crux of the police reform is to secure professional independence for the police to function truly and efficiently as an impartial agent of the law of the land and, at the same time, to enable the Government to oversee the police performance to ensure its conformity to the law. A supervisory mechanism without scope for illegal, irregular or mala fide interference with police functions has to be devised. It was earnestly hoped that the Government would examine and publish the report expeditiously so that the process for implementation of various recommendations made therein could start right away. The report, inter alia, noticed the phenomenon of frequent and indiscriminate transfers ordered on political considerations as also other unhealthy influences and pressures brought to bear on police and, inter alia, recommended for the Chief of Police in a State, statutory tenure of office by including it in a specific provision in the Police Act itself and also recommended the preparation of a panel of IPS officers for posting as Chiefs of Police in States. The report also recommended the constitution of Statutory Commission in each State the function of which shall include laying down broad policy guidelines and directions for the performance of preventive task and service oriented functions by the police and also functioning as a forum of appeal for disposing of representations from any Police Officer of the rank of Superintendent of Police and above, regarding his being subjected to illegal or irregular orders in the performance of his duties.

With the 8th and final report, certain basic reforms for the effective functioning of the police to enable it to promote the dynamic role of law and to render impartial service to the people were recommended and a draft new Police Act incorporating the recommendations was annexed as an



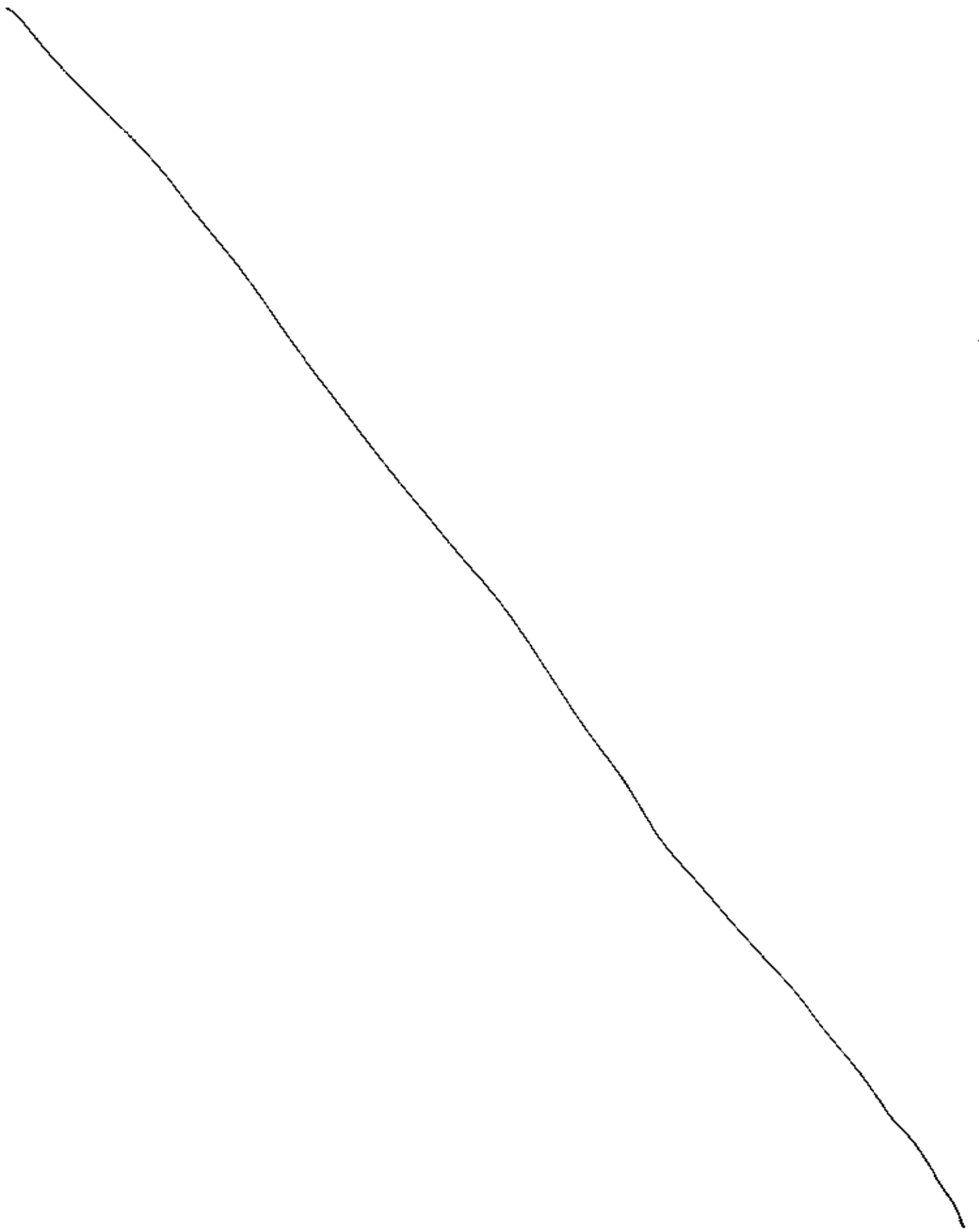
appendix.

When the recommendations of National Police Commission were not implemented, for whatever reasons or compulsions, and they met the same fate as the recommendations of many other Commissions, this petition under Article 32 of the Constitution of India was filed about 10 years back, inter alia, praying for issue of directions to Government of India to frame a new Police Act on the lines of the model Act drafted by the Commission in order to ensure that the police is made accountable essentially and primarily to the law of the land and the people.

The first writ petitioner is known for his outstanding contribution as a Police Officer and in recognition of his outstanding contribution, he was awarded the "Padma Shri" in 1991. He is a retired officer of Indian Police Service and served in various States for three and a half decades. He was Director General of Police of Assam and Uttar Pradesh besides the Border Security Force. The second petitioner also held various high positions in police. The third petitioner's common cause is an organization which has brought before this Court and High Courts various issues of public interest. The first two petitioners have personal knowledge of the working of the police and also problems of the people. It has been averred in the petition that the violation of fundamental and human rights of the citizens are generally in the nature of non-enforcement and discriminatory application of the laws so that those having clout are not held accountable even for blatant violations of laws and, in any case, not brought to justice for the direct violations of the rights of citizens in the form of unauthorized detentions, torture, harassment, fabrication of evidence, malicious prosecutions etc. The petition sets out certain glaring examples of police inaction. According to the petitioners, the present distortions and aberrations in the functioning of the police have their roots in the Police Act of 1861, structure and organization of police having basically remained unchanged all these years.

The petition sets out the historical background giving reasons why the police functioning has caused so much disenchantment and dissatisfaction. It also sets out recommendations of various Committees which were never implemented. Since the misuse and abuse of police has reduced it to the status of a mere tool in the hands of unscrupulous masters and in the process, it has caused serious violations of the rights of the people, it is contended that there is immediate need to re-define the scope and functions of police, and provide for its accountability to the law of the land, and implement the core recommendations of the National Police Commission. The petition refers to a research paper 'Political and Administrative Manipulation of the Police' published in 1979 by Bureau of Police Research and Development, warning that excessive control of the political executive and its principal advisers over the police has the inherent danger of making the police a tool for subverting the process of law, promoting the growth of authoritarianism, and shaking the very foundations of democracy.

The commitment, devotion and accountability of the police has to be only to the Rule of Law. The supervision and control has to be such that it ensures that the police serves the people without any regard, whatsoever, to the status and position of any person while investigating a crime or taking preventive measure. Its approach has to be service oriented, its role has to be defined so that in appropriate cases, where on account of acts of omission and commission of police, the Rule of Law becomes a casualty, the guilty Police Officers are



brought to book and appropriate action taken without any delay.

The petitioners seek that Union of India be directed to re-define the role and functions of the police and frame a new Police Act on the lines of the model Act drafted by the National Police Commission in order to ensure that the police is made accountable essentially and primarily to the law of the land and the people. Directions are also sought against the Union of India and State Governments to constitute various Commissions and Boards laying down the policies and ensuring that police perform their duties and functions free from any pressure and also for separation of investigation work from that of law and order.

The notice of the petition has also been served on State Governments and Union Territories. We have heard Mr. Prashant Bhushan for the petitioners, Mr. G.E. Vahanvati, Learned Solicitor General for the Union of India, Ms. Indu Malhotra for the National Human Rights Commission and Ms. Swati Mehta for the Common Welfare Initiatives. For most of the State Governments/Union Territories oral submissions were not made. None of the State Governments/Union Territories urged that any of the suggestion put forth by the petitioners and Solicitor General of India may not be accepted.

Besides the report submitted to the Government of India by National Police Commission (1977-81), various other high powered Committees and Commissions have examined the issue of police reforms, viz. (i) National Human Rights Commission (ii) Law Commission (iii) Ribeiro Committee (iv) Padmanabhaiah Committee and (v) Malimath Committee on Reforms of Criminal Justice System.

In addition to above, the Government of India in terms of Office Memorandum dated 20th September, 2005 constituted a committee comprising Shri Soli Sorabjee, former Attorney General and five others to draft a new Police Act in view of the changing role of police due to various socio-economic and political changes which have taken place in the country and the challenges posed by modern day global terrorism, extremism, rapid urbanization as well as fast evolving aspirations of a modern democratic society. The Sorabjee Committee has prepared a draft outline for a new Police Act (9th September, 2006).

About one decade back, viz. on 3rd August, 1997 a letter was sent by a Union Home Minister to the State Governments revealing a distressing situation and expressing the view that if the Rule of Law has to prevail, it must be cured. In spite of strong expression of opinions by various Commissions, Committees and even a Home Minister of the country, the position has not improved as these opinions have remained only on paper, without any action. In fact, position has deteriorated further. The National Human Rights Commission in its report dated 31st May, 2002, inter alia, noted that:

Police Reform:

8(i) The Commission drew attention in its 1st April 2002 proceedings to the need to act decisively on the deeper question of Police reform, on which recommendations of the National Police Commission (NPC) and of the National Human Rights Commission have been pending despite efforts to have them acted upon. The Commission added that recent events in Gujarat and, indeed, in other States of the country, underlined the need to proceed without delay to implement the reforms that

have already been recommended in order to reserve the integrity of the investigating process and to insulate it from 'extraneous influences'.

In the above noted letter dated 3rd April, 1997 sent to all the State Governments, the Home Minister while echoing the overall popular perception that there has been a general fall in the performance of the police as also a deterioration in the policing system as a whole in the country, expressed that time had come to rise above limited perceptions to bring about some drastic changes in the shape of reforms and restructuring of the police before the country is overtaken by unhealthy developments. It was expressed that the popular perception all over the country appears to be that many of the deficiencies in the functioning of the police had arisen largely due to an overdose of unhealthy and petty political interference at various levels starting from transfer and posting of policemen of different ranks, misuse of police for partisan purposes and political patronage quite often extended to corrupt police personnel. The Union Home Minister expressed the view that rising above narrow and partisan considerations, it is of great national importance to insulate the police from the growing tendency of partisan or political interference in the discharge of its lawful functions of prevention and control of crime including investigation of cases and maintenance of public order:

Besides the Home Minister, all the Commissions and Committees above noted, have broadly come to the same conclusion on the issue of urgent need for police reforms. There is convergence of views on the need to have (a) State Security Commission at State level; (b) transparent procedure for the appointment of Police Chief and the desirability of giving him a minimum fixed tenure; (c) separation of investigation work from law and order; and (d) a new Police Act which should reflect the democratic aspirations of the people. It has been contended that a statutory State Security Commission with its recommendations binding on the Government should have been established long before. The apprehension expressed is that any Commission without giving its report binding effect would be ineffective.

More than 25 years back i.e. in August 1979, the Police Commission Report recommended that the investigation task should be beyond any kind of intervention by the executive or non-executive.

For separation of investigation work from law and order even the Law Commission of India in its 154th Report had recommended such separation to ensure speedier investigation, better expertise and improved rapport with the people without of-course any water tight compartmentalization in view of both functions being closely inter-related at the ground level.

The Sorabjee Committee has also recommended establishment of a State Bureau of Criminal Investigation by the State Governments under the charge of a Director who shall report to the Director General of Police. In most of the reports, for appointment and posting, constitution of a Police Establishment Board has been recommended comprising of the Director General of Police of the State and four other senior officers. It has been further recommended that there should be a Public Complaints Authority at district level to examine the complaints from the public on police excesses, arbitrary arrests and detentions, false implications in criminal cases, custodial violence etc. and for making necessary recommendations.

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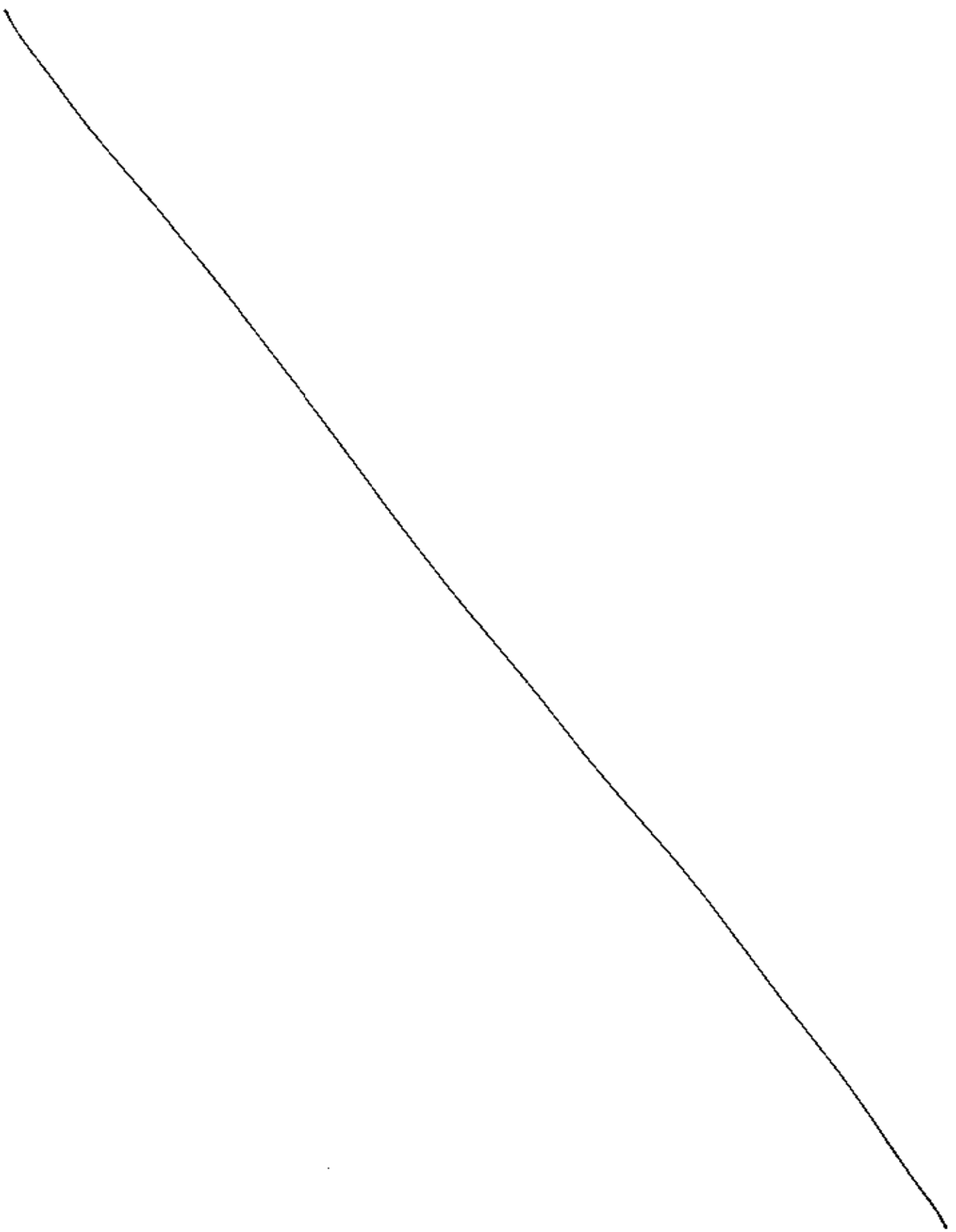
Undoubtedly and undisputedly, the Commission did commendable work and after in depth study, made very useful recommendations. After waiting for nearly 15 years, this petition was filed. More than ten years have elapsed since this petition was filed. Even during this period, on more or less similar lines, recommendations for police reforms have been made by other high powered committees as above noticed. The Sorabjee Committee has also prepared a draft report. We have no doubt that the said Committee would also make very useful recommendations and come out with a model new Police Act for consideration of the Central and the State Governments. We have also no doubt that Sorabjee Committee Report and the new Act will receive due attention of the Central Government which may recommend to the State Governments to consider passing of State Acts on the suggested lines. We expect that the State Governments would give it due consideration and would pass suitable legislations on recommended lines, the police being a State subject under the Constitution of India. The question, however, is whether this Court should further wait for Governments to take suitable steps for police reforms. The answer has to be in the negative.

Having regard to (i) the gravity of the problem; (ii) the urgent need for preservation and strengthening of Rule of Law; (iii) pendency of even this petition for last over ten years; (iv) the fact that various Commissions and Committees have made recommendations on similar lines for introducing reforms in the police set-up in the country; and (v) total uncertainty as to when police reforms would be introduced, we think that there cannot be any further wait, and the stage has come for issue of appropriate directions for immediate compliance so as to be operative till such time a new model Police Act is prepared by the Central Government and/or the State Governments pass the requisite legislations. It may further be noted that the quality of Criminal Justice System in the country, to a large extent, depends upon the working of the police force. Thus, having regard to the larger public interest, it is absolutely necessary to issue the requisite directions. Nearly ten years back, in Vineet Narain & Crs. v. Union of India & Anr. [(1998) 1 SCC 226], this Court noticed the urgent need for the State Governments to set up the requisite mechanism and directed the Central Government to pursue the matter of police reforms with the State Governments and ensure the setting up of a mechanism for selection/appointment, tenure, transfer and posting of not merely the Chief of the State Police but also all police officers of the rank of Superintendents of Police and above. The Court expressed its shock that in some States the tenure of a Superintendent of Police is for a few months and transfers are made for whimsical reasons which has not only demoralizing effect on the police force but is also alien to the envisaged constitutional machinery. It was observed that apart from demoralizing the police force, it has also the adverse effect of politicizing the personnel and, therefore, it is essential that prompt measures are taken by the Central Government.

The Court then observed that no action within the constitutional scheme found necessary to remedy the situation is too stringent in these circumstances.

More than four years have also lapsed since the report above noted was submitted by the National Human Rights Commission to the Government of India.

The preparation of a model Police Act by the Central Government and enactment of new Police Acts by State Governments providing therein for the composition of State Security Commission are things, we can only hope for the



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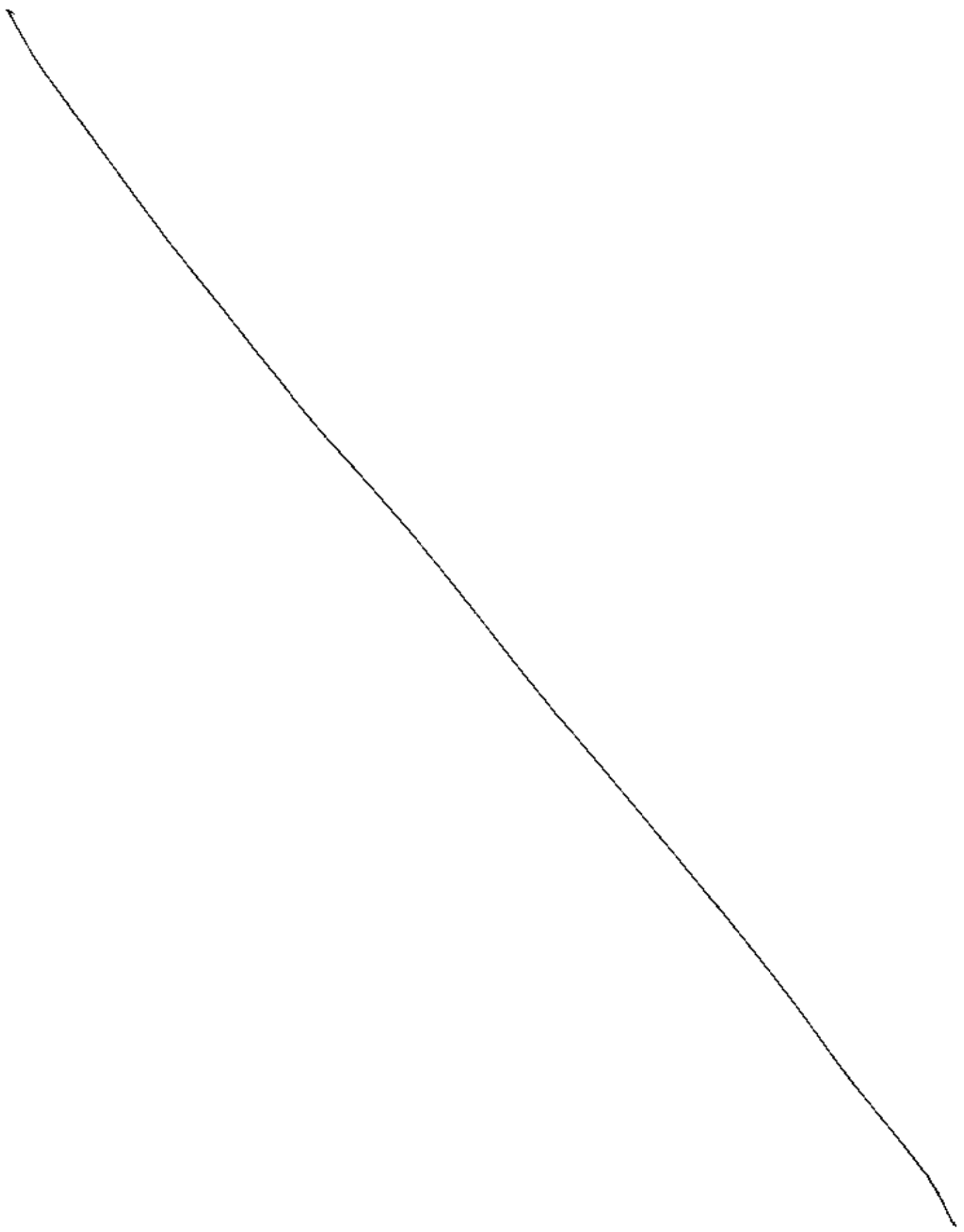
present. Similarly, we can only express our hope that all State governments would rise to the occasion and enact a new Police Act wholly insulating the police from any pressure whatsoever thereby placing in position an important measure for securing the rights of the citizens under the Constitution for the Rule of Law, treating everyone equal and being partisan to none, which will also help in securing an efficient and better criminal justice delivery system. It is not possible or proper to leave this matter only with an expression of this hope and to wait developments further. It is essential to lay down guidelines to be operative till the new legislation is enacted by the State Governments.

Article 32 read with Article 142 of the Constitution empowers this Court to issue such directions, as may be necessary for doing complete justice in any cause or matter. All authorities are mandated by Article 144 to act in aid of the orders passed by this Court. The decision in Vineet Narain's case (supra) notes various decisions of this Court where guidelines and directions to be observed were issued in absence of legislation and implemented till legislatures pass appropriate legislations.

With the assistance of learned counsel for the parties, we have perused the various reports. In discharge of our constitutional duties and obligations having regard to the forenoted position, we issue the following directions to the Central Government, State Governments and Union Territories for compliance till framing of the appropriate legislations :

State Security Commission
 (1) The State Governments are directed to constitute a State Security Commission in every State to ensure that the State Government does not exercise unwarranted influence or pressure on the State police and for laying down the broad policy guidelines so that the State police always acts according to the laws of the Land and the Constitution of the country. This watchdog body shall be headed by the Chief Minister or Home Minister as Chairman and have the OGP of the State as its ex-officio Secretary. The other members of the Commission shall be chosen in such a manner that it is able to function independent of Government control. For this purpose, the State may choose any of the models recommended by the National Human Rights Commission, the Ribeiro Committee or the Sorabjee Committee, which are as under:

- WERC
 Ribeiro Committee
 Sorabjee Committee
 1. Chief Minister/HM as Chairman.
 1. Minister i/c Police as Chairman
 1. Minister i/c Police (ex-officio Chairperson)
 2. Lok Ayukta or, in his absence, a retired Judge of High Court to be nominated by Chief Justice or a Member of State Human Rights Commission.
 2. Leader of Opposition.
 2. Leader of Opposition.
 3. A sitting or retired



- 2. Judge nominated by Chief Justice of High Court.
- 3. Judge, sitting or retired, nominated by Chief Justice of High Court.
- 3. Chief Secretary
- 4. Chief Secretary
- 4. Chief Secretary
- 4. DGP (ex-officio Secretary)
- 5. Leader of Opposition in Lower House.
- 5. Three non-political citizens of proven merit and integrity.
- 6. Five independent Members.
- 6. DGP as ex-officio Secretary.
- 7. DG Police as Secretary.

The recommendations of this Commission shall be binding on the State Government.

The functions of the State Security Commission would include laying down the broad policies and giving directions for the performance of the preventive tasks and service oriented functions of the police, evaluation of the performance of the State police and preparing a report hereon for being placed before the State legislature.

Selection and Minimum Tenure of DGP:

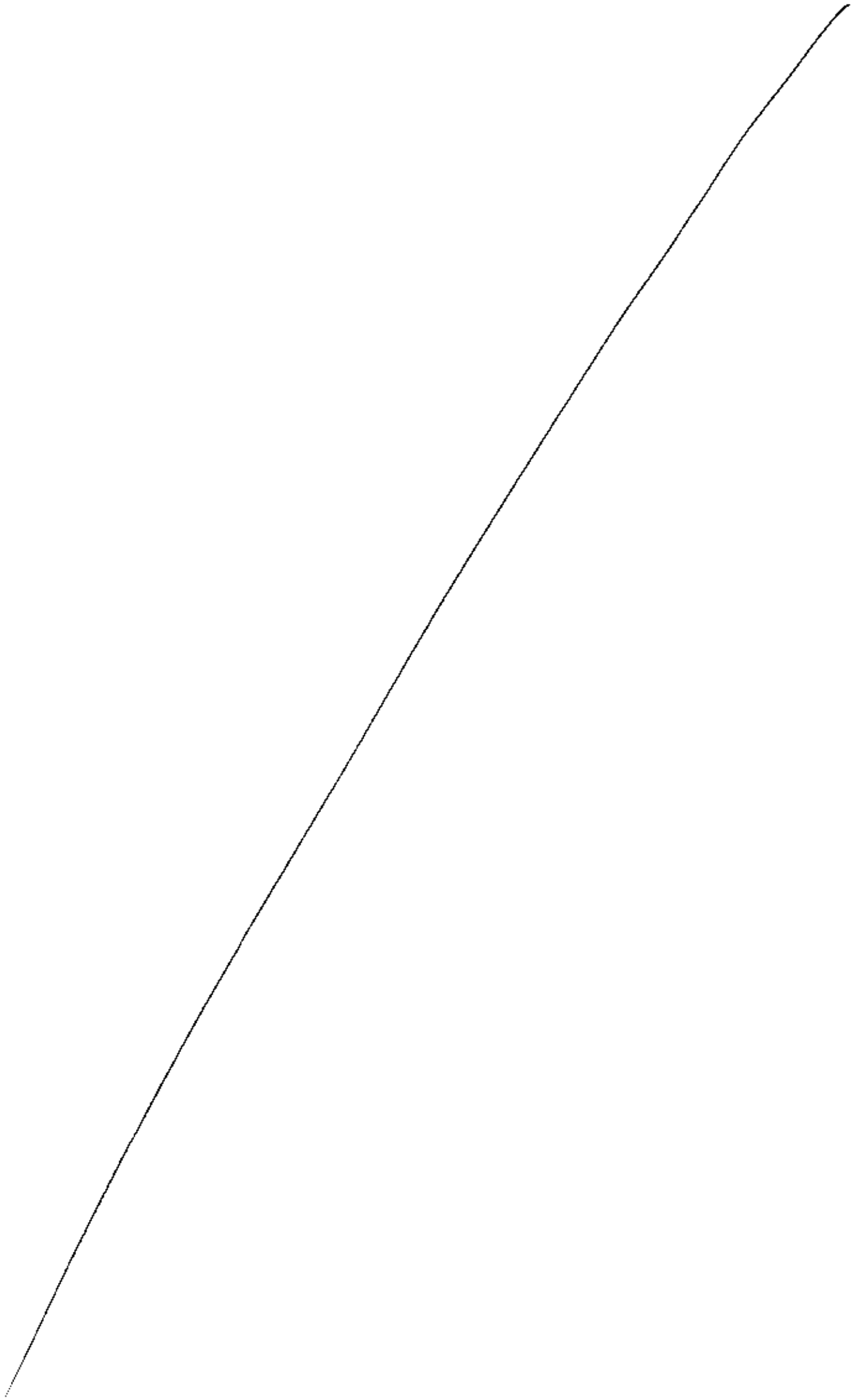
2) The Director General of Police of the State shall be selected by the State Government from amongst the three senior-most officers of the Department who have been empanelled for promotion to that rank by the Union Public Service Commission on the basis of their length of service, very good record and range of experience for heading the police force. And, once he has been selected for the job, he should have a minimum tenure of at least two years irrespective of his date of superannuation. The DGP may, however, be relieved of his responsibilities by the State Government acting in consultation with the State Security Commission consequent upon any action taken against him under the All India Services (Discipline and Appeal) Rules or following his conviction in a court of law in a criminal offence or in a case of corruption, or if he is otherwise incapacitated from discharging his duties.

Minimum Tenure of I.G. of Police & other officers:

3) Police Officers on operational duties in the field like the Inspector General of Police in-charge Zone, Deputy Inspector General of Police in-charge Range, Superintendent of Police in-charge district and Station House Officer in-charge of a Police Station shall also have a prescribed minimum tenure of two years unless it is found necessary to remove them prematurely following disciplinary proceedings against them or their conviction in a criminal offence or in a case of corruption or if the incumbent is otherwise incapacitated from discharging his responsibilities. This would be subject to promotion and retirement of the officer.

Separation of Investigation:

4) The investigating police shall be separated from the law and order police to ensure speedier investigation, better expertise and improved rapport with the people.



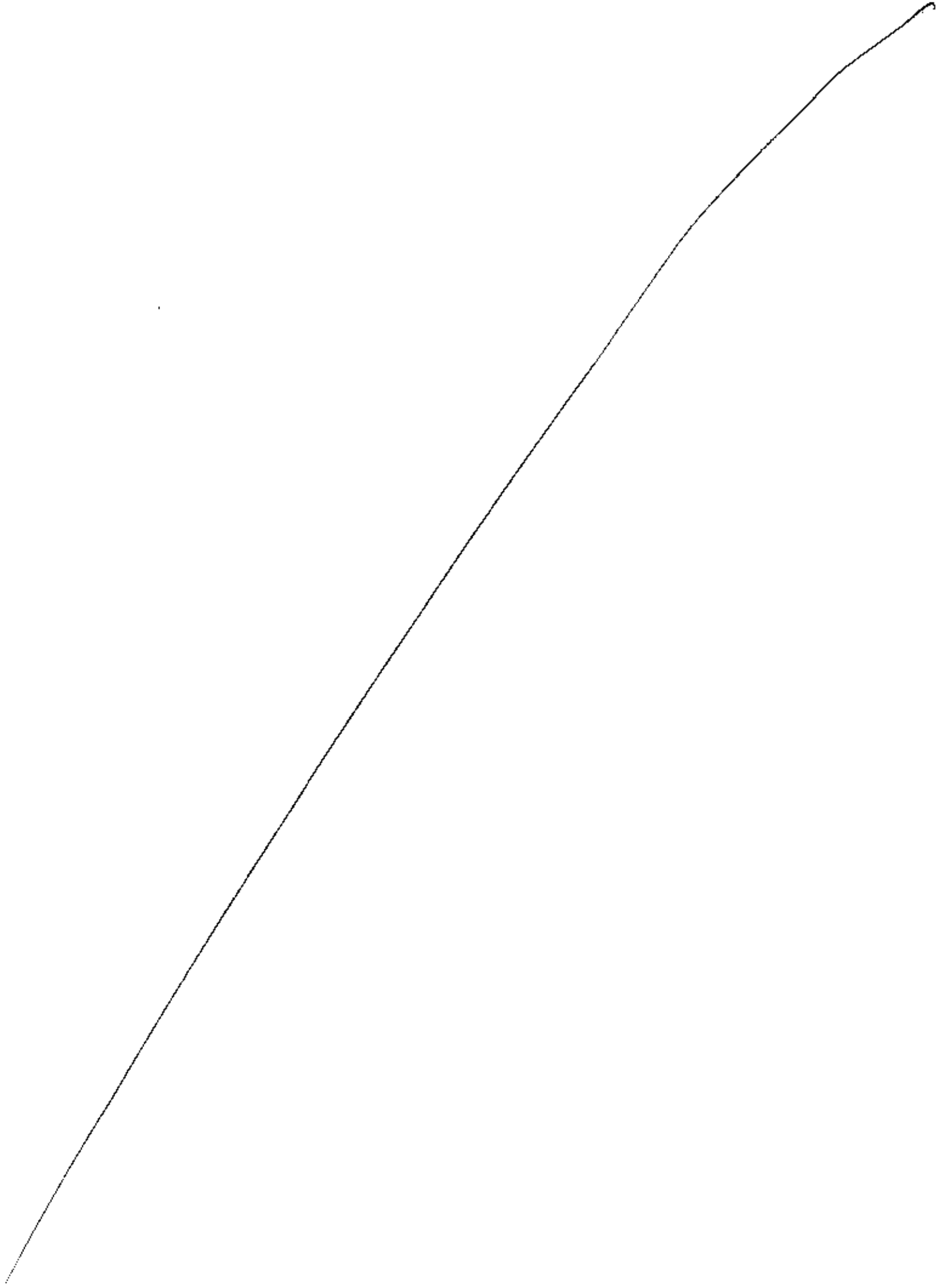
it must, however, be ensured that there is full coordination between the two wings. The separation, to start with, may be effected in towns/urban areas which have a population of ten lakhs or more, and gradually extended to smaller towns/urban areas also.

Police Establishment Board:

5) There shall be a Police Establishment Board in each state which shall decide all transfers, postings, promotions and other service related matters of officers of and below the rank of Deputy Superintendent of Police. The Establishment Board shall be a departmental body comprising the Director General of Police and four other senior officers of the Department. The State Government may interfere with decision of the Board in exceptional cases only after recording its reasons for doing so. The Board shall also be authorized to make appropriate recommendations to the State Government regarding the posting and transfers of officers of and above the rank of Superintendent of Police, and the Government is expected to give due weight to these recommendations and shall normally accept it. It shall also function as a forum of appeal for disposing of representations from officers of the rank of Superintendent of Police and above regarding their promotion/transfer/disciplinary proceedings or their being subjected to illegal or irregular orders and generally reviewing the functioning of the police in the State.

Police Complaints Authority:

6) There shall be a Police Complaints Authority at the district level to look into complaints against police officers of and up to the rank of Deputy Superintendent of Police. Similarly, there should be another Police Complaints Authority at the State level to look into complaints against officers of the rank of Superintendent of Police and above. The district level authority may be headed by a retired District Judge while the State level Authority may be headed by a retired Judge of the High Court/Supreme Court. The head of the State level Complaints Authority shall be chosen by the State Government out of a panel of names proposed by the Chief Justice; the head of the district level Complaints Authority may also be chosen out of a panel of names proposed by the Chief Justice or a Judge of the High Court nominated by him. These Authorities may be assisted by three to five members depending upon the volume of complaints in different States/districts, and they shall be selected by the State Government from a panel prepared by the State Human Rights Commission/Lok Ayukta/State Public Service Commission. The panel may include members from amongst retired civil servants, police officers or officers from any other department, or from the civil society. They would work whole time for the authority and would have to be suitably remunerated for the services rendered by them. The Authority may also need the services of regular staff to conduct field inquiries. For this purpose, they may utilize the services of retired investigators from the CID, Intelligence, Vigilance or any other organization. The State level Complaints Authority would take cognizance of only allegations of serious misconduct by the police personnel, which would include incidents



involving death, grievous hurt or rape in police custody. The district level Complaints Authority would, apart from above cases, may also inquire into allegations of extortion, land/house grabbing or any incident involving serious abuse of authority. The recommendations of the Complaints Authority, both at the district and State levels, for any action, departmental or criminal, against a delinquent police officer shall be binding on the concerned authority.

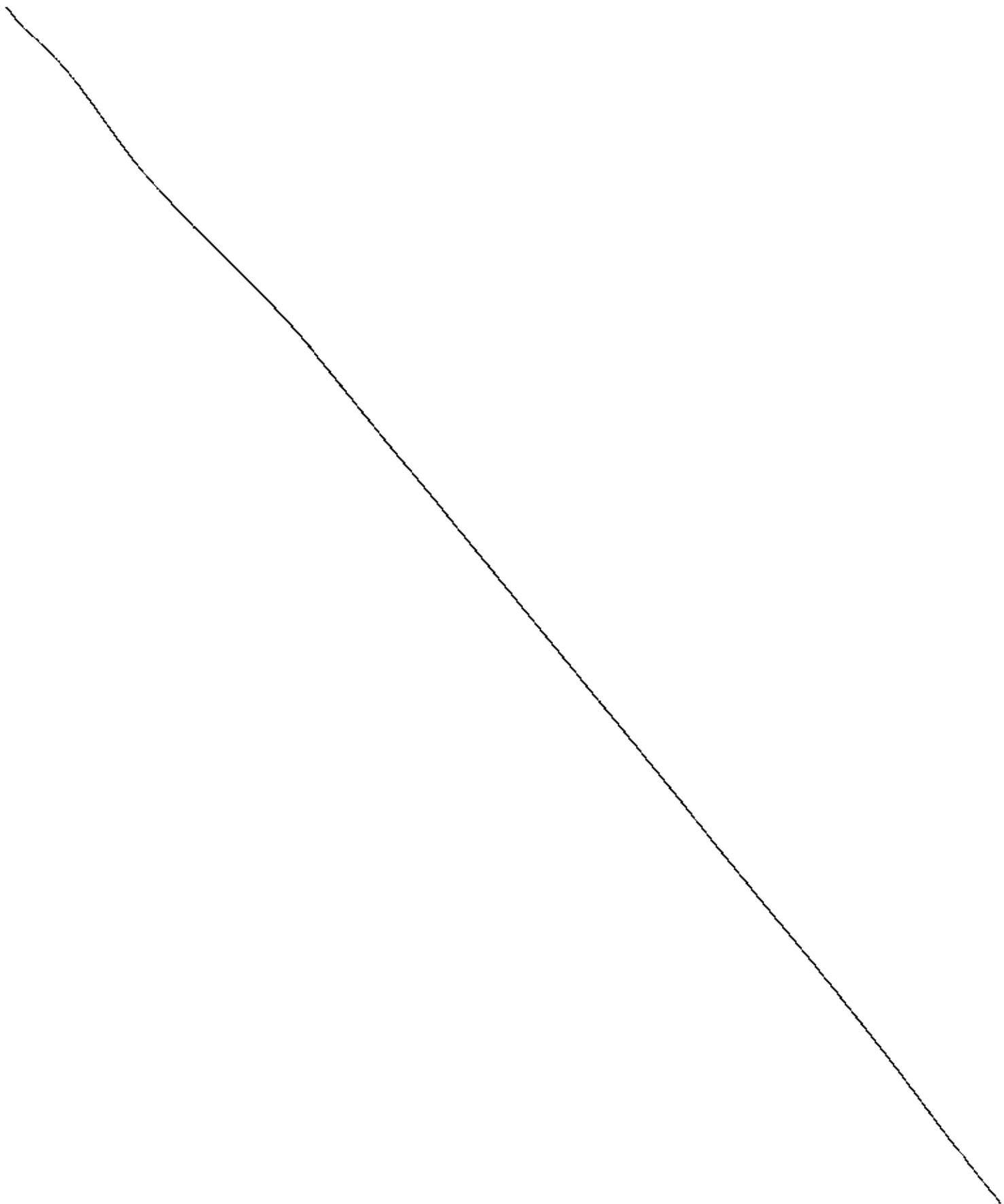
National Security Commission:

(7) The Central Government shall also set up a National Security Commission at the Union level to prepare a panel for being placed before the appropriate Appointing Authority, for selection and placement of Chiefs of the Central Police Organisations (CPO), who should also be given a minimum tenure of two years. The Commission would also review from time to time measures to upgrade the effectiveness of these forces, improve the service conditions of its personnel, ensure that there is proper coordination between them and that the forces are generally utilized for the purposes they were raised and make recommendations in that behalf. The National Security Commission could be headed by the Union Home Minister and comprise Heads of the CPOs and a couple of security experts as members with the Union Home Secretary as its Secretary.

The aforesaid directions shall be complied with by the Central Government, State Governments or Union Territories, as the case may be, on or before 31st December, 2006 so that the bodies afore-noted become operational on the onset of the new year. The Cabinet Secretary, Government of India and the Chief Secretaries of State Governments/Union Territories are directed to file affidavits of compliance by 3rd January, 2007.

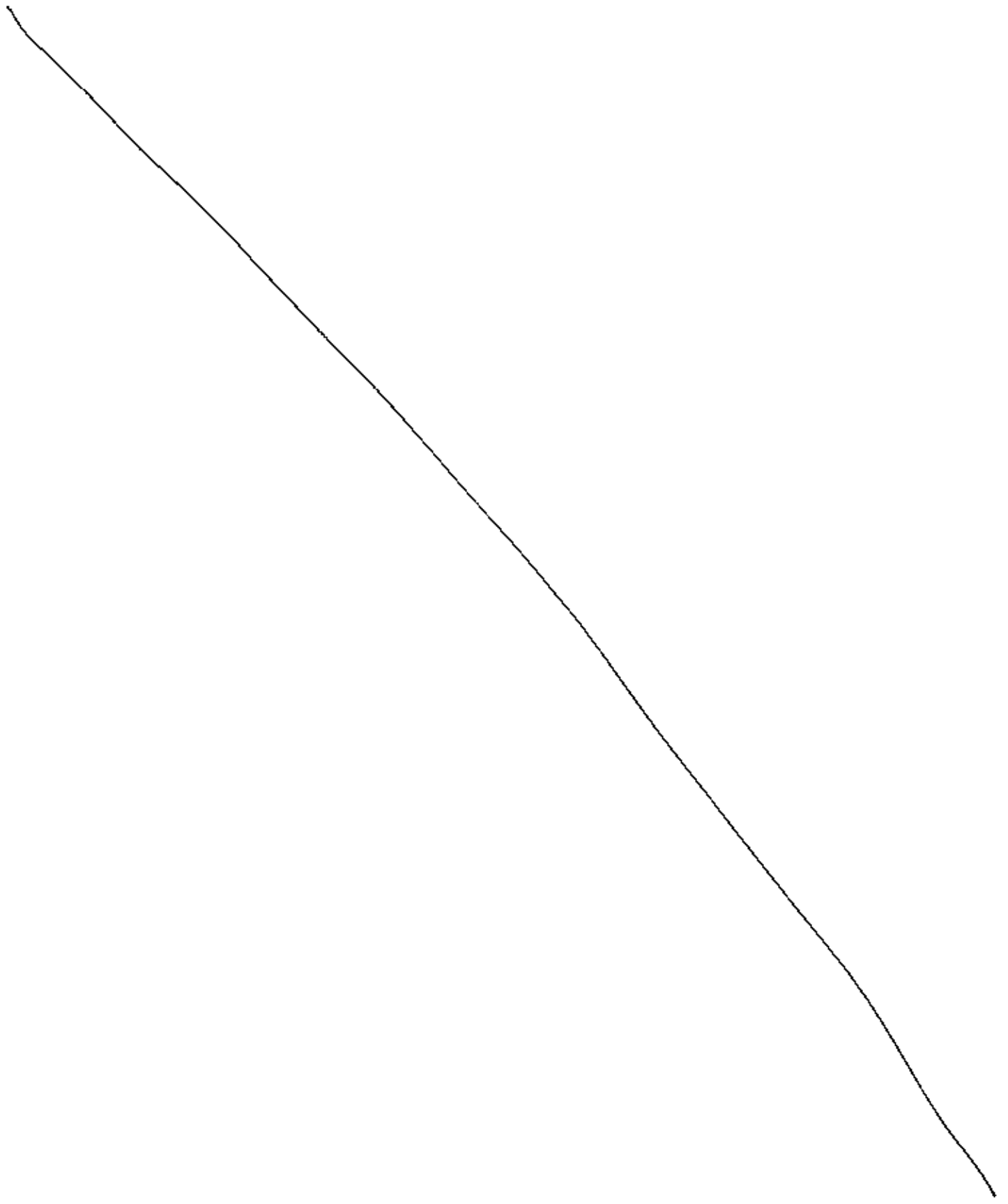
Before parting, we may note another suggestion of Mr. Prashant Bhushan that directions be also issued for dealing with the cases arising out of threats emanating from international terrorism or organized crimes like drug trafficking, money laundering, smuggling of weapons from across the borders, counterfeiting of currency or the activities of mafia groups with trans-national links to be treated as measures taken for the defence of India as mentioned in Entry 1 of the Union List in the Seventh Schedule of the Constitution of India and as internal security measures as contemplated under Article 355 as these threats and activities aim at destabilizing the country and subverting the economy and thereby weakening its defence. The suggestion is that the investigation of above cases involving inter-state or international ramifications deserves to be entrusted to the Central Bureau of Investigation.

The suggestion, on the face of it, seems quite useful. But, unlike the aforesaid aspects which were extensively studied and examined by various experts and reports submitted and about which for that reason, we had no difficulty in issuing directions, there has not been much study or material before us, on the basis whereof we could safely issue the direction as suggested. For considering this suggestion, it is necessary to enlist the views of expert bodies. We, therefore, request the National Human Rights Commission, Sorabjee Committee and Bureau of Police Research and Development to examine the aforesaid suggestion of Mr. Bhushan and assist this Court by filing their considered views within four months. The Central Government is also directed to examine this suggestion and



submit its views within that time.

Further suggestion regarding monitoring of the aforesaid directions that have been issued either by National Human Rights Commission or the Police Bureau would be considered on filing of compliance affidavits whereupon the matter shall be listed before the Court.



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L. Chandra Kumar vs Union Of India And Others on 18 March, 1997

Supreme Court of India

L. Chandra Kumar vs Union Of India And Others on 18 March, 1997

Author: A Ahmadi

Bench: A.M. Ahmadi Cji, M.M. Punchhi, K. Ramaswamy, S.P. Bharucha, S. Saghir

CASE NO.:

Appeal (civil) 481 of 1980

PETITIONER:

L. Chandra Kumar

RESPONDENT:

Union of India and others

DATE OF JUDGMENT: 18/03/1997

BENCH:

A.M. Ahmadi CJI & M.M. Punchhi & K. Ramaswamy & S.P. Bharucha & S. Saghir
Ahmad & K. Venkataswami & K.T. Thomas

JUDGMENT:

JUDGMENT 1997 (2) SCR 1186 A.M. Ahmadi, C.J.

1. The special leave petitions, civil appeals and writ petitions which together constitute the present batch of matters before us owe their origin to separate decisions of different High Courts and several provisions in different enactments which have been made the subject of challenge. Between them, they raise several distinct questions of law; they have, however been grouped together as all of them involve the consideration of the following broad issues:

(1) Whether the power conferred upon Parliament or the State Legislatures, as the case may be, by Sub-clause (d) of Clause (2) of Article 323A or by Sub-clause (d) of Clause (3) of Article 323B of the Constitution, totally exclude the jurisdiction of 'all courts', except that of the Supreme Court under Article 136, in respect of disputes and complaints referred to in Clause (1) of Article 323A or with regard to all or any of the matters specified in Clause (2) of Article 323B, runs counter to the power of judicial review conferred on the High Courts under Articles 226/227 and on the Supreme Court under Article 32 of the Constitution?

(2) Whether the Tribunals, constituted either under Article 323A or under Article 323B of the Constitution, possess the competence to test the constitutional validity of a statutory provision/rule?

(3) Whether these Tribunals, as they are functioning at present, can be said to be effective substitutes for the High Courts in discharging the power of judicial review? If not, what are the changes required to make them conform to their founding objectives?

2. We shall confine ourselves to the larger issues raised in this batch of matters without adverting to the specific facts of each of the matters; we shall, however, selectively refer to some of the impugned decisions and the provisions involved to the extent we find it necessary to do so in order to

appreciate the policy- conflicts in, and to draw the parameters of, the controversy before us. The broad principles enunciated in this judgment will, at a later time, be applied by a Division Bench to resolve the disputes involved in each of the individual cases.

3. The present controversy has been referred to us by an order of a Division Bench of this Court, reported in : (1995)ILLJ64nSC , which concluded that the decision rendered by a five-Judge Constitution Bench of this Court in S.P. Sampath Kumar v. Union of India : (1987)ILLJ12BSC , needs to be comprehensively reconsidered. The order of the Division Bench, dated December 2, 1994, was rendered after it had considered the arguments in the first matter before us, C.A. No. 481 of 1989, where the challenge is to the validity of Section 5(6) of the Administrative Tribunals Act, 1985. After analysing the relevant constitutional provisions and the circumstances which led to the decision in Sampath Kumar's case, the referring Bench reached the conclusion that on account of the divergent views expressed by this Court in a series of cases decided after Sampath Kumar's case, the resulting situation warranted a "fresh look by a larger Bench over all the issues adjudicated by this Court in Sampath Kumar's case including the question whether the Tribunal can at all have an Administrative Member on its Bench, if it were to have the power of even deciding constitutional validity of a statute or (Article) 309 rule, as conceded in Chopra's case". The "post- Sampath Kumar cases" which caused the Division Bench to refer the present matter to us are as follows: J.B. Chopra v. Union of India : (1987)ILLJ255SC ; M.B. Majumdar v. Union of India : (1991)ILLJ5B5hSC ; Amuya Chandra Kalita v. Union of India : (1990)ILLJ523SC ; R.K. Jain v. Union of India [1993] 4 SCC 119 and Dr. Mahabal Ram v. Indian Council of Agricultural Research : (1991)ILLJ112SC .

4. Before we record the contentions of the learned Counsel who appeared before us, we must set out the legal and historical background relevant to the present case.

5. Part XIVA of the Constitution was inserted through Section 46 of the Constitution (42nd Amendment) Act, 1976 with effect from March 1, 1977. It comprises two provisions, Articles 323A and 323B, which have, for the sake of convenience, been fully extracted hereunder:

PART XIVA TRIBUNALS 323-A. Administrative tribunals.-- 323-B. Tribunals for other (1) Parliament may, by law, matters. -- (1) The appropriate provide for the adjudication or Legislature may, by law, provide trial by administrative Tribunals for the adjuration or trial by of disputes and complaints with tribunals of any disputes, respect to recruitment and complaints, or offences with conditions of service of persons respect to all or any of the appointed to public services and matters specified in Clause (2) posts in connection with the with respect to which such affairs of the Union or of any Legislature has power to make State or of any local or other laws. authority within the territory of India or under the control of the Government, of India or of any corporation owned or controlled by the Government. (2) A law made under Clause (1) (2) (2) The matters referred may -- to in Clause (1) are the following, namely:

(a) provide for the (a) levy, assessment, establishment, of an collection and administrative tribunal for enforcement of any tax; the union and a separate administrative tribunal for each State or for two or more States;

(b) specify the jurisdiction, (b) foreign exchange, import powers (including the and export across customs powers to punish for frontiers; contempt) and authority which may be exercised by each of the said tribunals; (c) provide for the procedure (c) industrial and labour (including provisions as to disputes; limitation and rules of evidence) to be followed by the said tribunals; (d) exclude the jurisdiction of all (d) land reforms by way of courts, except the jurisdiction acquisition by the State of of the Supreme Court under any estate as defined in Article 136, with respect to Article 31A or of any the disputes or complaints rights therein or the referred to in Clause (1); extinguishment or modification of any such rights or by way of ceiling on agricultural land or in any other way; (e) provide for the transfer to (e) ceiling on urban property; each such administrative tribunal of any cases pending before any court or other authority immediately before the establishment of such tribunal as would have been within the jurisdiction of such tribunal if the causes of action on which such suits or proceedings are based had arisen after such establishment; (f) repeal or amend any order (f) elections to either House made by the president of Parliament or the under Clause (3) of Article House or either House of 371D; the Legislature of a State, but excluding the matters referred to in Article 329 and Article 329 A; (g) contain such supplemental, (g) production, procurement, incidental and supply and distribution of consequential provisions foodstuffs (including (including provisions as to edible oilseeds and oils) fee) as Parliament may and such other goods as deem necessary for the President may, by effective functioning of, and public notification, declare for the speedy disposal of to be essential goods for cases by, and the purpose of this article enforcement of the orders and control of prices of of, such tribunals. such goods; (3) The provisions of this Article (h) offences against laws with shall have effect respect to any of the notwithstanding anything in matters specified in Sub- any other provision of this clauses (a) to (g) and fees Constitution or in any other in respect of any of those law for the time being in matters; force. (i) any matter incidental to any of the matters specified in Sub-clauses (a) to (h). (3) A law made under Clause (1) may--

(a) provide for the establishment of a hierarchy of tribunals; (b) specify the jurisdiction, powers (including the power to punish for contempt) and authority which may be exercised by each of the said tribunals ; (c) provide for the procedure (including provisions as to limitation and rules of evidence) to be followed by the said tribunals ; (d) exclude the jurisdiction of all courts except the jurisdiction of the Supreme Court under Article 136 with respect to all or any of the matters falling within the jurisdiction of the said tribunals; (e) provide for the transfer to each such tribunal of any cases pending before any court or any other authority immediately before the establishment of such tribunal as would have been within the jurisdiction of such tribunal if the causes of action on which such suits or proceedings are based had arisen after such establishment; (f) contain such supplemental, incidental and consequential provisions (including provisions as to fees) as the appropriate Legislature may deem necessary for the effective functioning of, and for the speedy disposal of cases by, and the enforcement of the orders of, such tribunals. (4) The provisions of this article shall have effect notwithstanding anything in any other provision of this Constitution or in any other law for the time being in force. Explanation. - In this article, "appropriate legislature", in relation to any matter, means Parliament or, as the case may be, a State Legislature competent to make laws with respect to such matter in accordance with the provisions of Part XI.

(Emphasis added)

6. We may now examine the manner in which these constitutional provisions have been sought to be implemented, the problems that have consequently arisen, and the manner in which Courts have sought to resolve them. Such an analysis will have to consider the working of the two provisions separately.

Article 323 A

7. In pursuance of the power conferred upon it by Clause (1) of Article 323A of the Constitution, Parliament enacted the Administrative Tribunals Act, 1985 (Act 13 of 1985) [hereinafter referred to as "the Act"]. The Statement of Objects and Reasons of the Act indicates that it was in the express terms of Article 323A of the Constitution and was being enacted because a large number of cases relating to service matters were pending before various Courts; it was expected that "the setting up of such Administrative Tribunals to deal exclusively with service matters would go a long way in not only reducing the burden of the various courts and thereby giving them more time to deal with other cases expeditiously but would also provide to the persons covered by the Administrative Tribunals speedy relief in respect of their grievances."

8. Pursuant to the provisions of the Act, the Central Administrative Tribunal, with five Benches, was established on November 1, 1985. However, even before the Tribunal had been established, several writ petitions had been filed in various High Courts as well as this Court challenging the constitutional validity of Article 323A of the Constitution as also the provisions of the Act; the principal violation complained of being the exclusion of the jurisdiction of this Court under Article 32 of the Constitution and of that of the High Courts under Article 226 of the Constitution. Through an interim order dated October 31, 1985, reported as S.P. Sampath Kumar v. Union of India : (1985)4SCC458, this Court directed the carrying out of certain measures with a view to ensuring the functioning of the Tribunal along constitutionally-sound principles. Pursuant to an undertaking given to this Court at the interim stage by the erstwhile Attorney General, An amending Act (Act 19 of 1986) was enacted to bring about the changes prescribed in the aforesaid interim order.

9. When Sampath Kumar's case was finally heard, these changes had already been incorporated in the body and text of the Act. The Court took the view that most of the original grounds of challenge-which included a challenge to the constitutional validity of Article 323A - did not survive and restricted its focus to testing only the constitutional validity of the provision of the Act. In its final decision, the Court held that though judicial review is a basic feature of the constitution, the vesting of the power of judicial review in an alternative institutional mechanism, after taking it away from the High Courts, would not do violence to the basic structure so long as it was ensured that the alternative mechanism was an effective and real substitute for the High Court. Using this theory of effective alternative institutional mechanisms as its foundation, the Court proceeded to analyse the provisions of the Act in order to ascertain whether they passed constitutional muster. The Court came to the conclusion that the Act, as it stood at that time, did not measure up to the requirements of an effective substitute and, to that end, suggested several amendments to the provisions governing the form and content of the Tribunal. The suggested amendments were given the force of law by an amending Act (Act 51 of 1987) after the conclusion of the case and the Act has since remained unaltered.

10. We may now analyse the scheme and the salient features of the Act as it stands at the present time, inclusive as it is of the changes suggested in Sampath Kumar's case. The Act contains 37 Sections which are housed in five Chapters. Chapter I ("Preliminary") contains three Sections; Section 3 is the definition clause.

11. Chapter II ("Establishment of Tribunals and Benches thereof) contains Sections 4 to 13. Section 4 empowers the Central Government to establish : (1) a Central Administrative Tribunal with Benches at separate places; (2) an Administrative Tribunal for a State which makes a request in this behalf; and (3) a Joint Administrative Tribunal for two or more States which enter into an agreement for the purpose. Section 5 states that each Tribunal shall consist of a chairman and such number of Vice-Chairmen and Judicial and Administrative Members as may be deemed necessary by the appropriate Government. Sub-section (2) of Section 5 requires every Bench to ordinarily consist of one Judicial Member and one Administrative Member. Sub-section (6) of Section 5, which enables the Tribunal to function through Single Member Benches is the focus of some controversy, as will subsequently emerge, and is fully extracted as under:

Section 5(6) - Notwithstanding anything contained in the foregoing provisions of this section, it shall be competent for the Chairman or any other Member authorised by the Chairman in this behalf to function as a Bench consisting of a single Member and exercise the jurisdiction powers and authority of the Tribunal in respect of such classes of cases or such matters pertaining to such classes of cases as the Chairman may by general or special order specify:

Provided that if at any stage of the hearing of any such case or matter it appears to the Chairman or such Member that the case or matter is of such a nature that it ought to be heard by a Bench consisting of two Members the case or matter may be transferred by the chairman or, as the case may be, referred to him for transfer to such Bench as the Chairman may deem fit.

12. Section 6 deals with the qualifications of the personnel of the Tribunal. Since the first few sub-sections of Section 6 are required to be considered subsequently, they may be reproduced hereunder:

6. Qualifications for appointment of Chairman, Vice- Chairman or other Members. -

(1) A person shall not be qualified for appointment as the Chairman unless he-

(a) is, or has been, a Judge of a High Court; or

(b) has, for at least two years, held the office of Vice-Chairman;

(c) ..

(2) A person shall not be qualified for appointment as the Vice-Chairman unless he--

(a) is, or has been, or is qualified to be a Judge of a High Court; or

(b) has, for at least two years, held the post of a Secretary to the Government of India or any other post under the Central or a State Government carrying a scale of pay which is not less than that of a Secretary to the Government of India; or (bb) has for at least five years, held the post of an Additional Secretary to the Government of India or any other post under the Central or a State Government carrying a scale of pay which is not less than that of an Additional Secretary to the Government of India; or

(c) has, for a period of not less than three years, held office as a Judicial Member or an Administrative Member.

(3) A person shall not be qualified for appointment as a Judicial Member unless he--

(a) is, or has been, or is qualified to be, a Judge of a High Court; or

(b) has been a member of the Indian Legal Service and has held a post in Grade I of that Service for at least three years.

(3-A) A person shall not be qualified for appointment as an Administrative Member unless he--

(a) has, for at least two years, held the post of an Additional Secretary to the Government of India or any other post under the Central or a State Government carrying a scale of pay which is not less than that of an Additional Secretary to the Government of India; or

(b) has, for at least three years, held the post of a joint Secretary to the Government of India or any other post under the Central or a State Government carrying a scale of pay which is not less than that of a Joint Secretary to the Government of India.

and shall, in either case, have adequate administrative experience.

13. Sub-sections (4), (5) and (6) of Section 6 provide that all the Members of the Central Administrative Tribunal, the State Administrative Tribunals and the Joint Administrative Tribunals shall be appointed by the President; in the case of the State Administrative Tribunals and the Joint Administrative Tribunals, the President is required to consult the concerned Governor(s). Sub-section (7) stipulates that the Chief Justice of India is also to be consulted in the appointment of the Chairman, Vice-Chairman and Members of all Tribunals under the Act.

14. Section 8 prescribes the terms of office of the personnel of the Tribunal as being for a duration of five years from the date of entering into office; there is also provision for reappointment for another term of five years. The maximum age limit permissible for the Chairman and the Vice-Chairman is 65 years and for that of any other Member is 62 years. Section 10 stipulates that the salaries, terms and conditions of all Members of the Tribunal are to be determined by the central Government; such terms are, however, not to be varied to the disadvantage of any Member after his appointment.

15. Chapter III ("Jurisdiction, powers and authority of Tribunals") consists of Sections 14 to 18. Sections 14, 15 and 16 deal with the jurisdiction, powers and authority of the Central Administrative Tribunal, the State Administrative Tribunals and the Joint Administrative Tribunals respectively. These provisions make it clear that except for the jurisdiction of this Court, the Tribunals under the Act will possess the jurisdiction and powers of every other Court in the country in respect of all service-related matters. Section 17 provides that the Tribunals under the Act will have the same powers in respect of contempt as are enjoyed by the High Courts.

16. Chapter IV ("Procedure") comprises Section 19 to 27. Section 21 specifies strict limitation periods and does not vest the Tribunals under the Act with the power to condone delay.

17. Chapter V ("Miscellaneous"), the final Chapter of the Act, comprising Sections 28 to 37, vests the Tribunals under the Act with ancillary powers to aid them in the effective adjudication of disputes. Section 28, the "exclusions of Jurisdiction" clause reads as follows:

28. Exclusion of Jurisdiction of courts. -- On and from the date from which any jurisdiction, powers and authority becomes exercisable under this Act by a Tribunal in relation to recruitment and matters concerning recruitment to any Service or post or service matters concerning members of any Service or persons appointed to any Service or post, no court except--

(a) the Supreme Court; or

(b) any Industrial Tribunal, Labour Court or other authority constituted under the Industrial Disputes Act, 1947 or any other corresponding law for the time being in force, shall have, or be entitled to exercise any jurisdiction, powers or authority in relation to such recruitment or matters concerning such recruitment or such service matters.

18. A facet which is of vital relevance to the controversy before us, and consequently needs to be emphasised, is that Section 28, when originally enacted, was in the express terms of Clause (2) (d) of Article 323A of the Constitution and the only exception made in it was in respect of the jurisdiction of this Court under Article 136 of the Constitution. However, before the final bearing in Sampath Kumar's case the provision was further amended to also save the jurisdiction of this Court under Article 32 of the Constitution; this aspect has been noted in the judgment of Mishra, J. in Sampath Kumar's case (at para 14). Since the Court in Sampath Kumar's case had restricted its focus to the provisions of the Act, it expressed itself to be satisfied with the position that the power of judicial review of the Apex Court had not been tampered with by the provisions of the Act and did not venture to address the larger issue of whether Clause (2)(d) of Article 323A of the Constitution also required a similar amendment.

19. Section 29 provides for the transfer to the Tribunals under the Act, of all service matters pending in every existing form before their establishment. The only exception carved out is in respect of appeals pending before High Courts. Section 35 vests the Central Government with rule-making powers and Section 36 empowers the appropriate Government to make rules to implement the provisions of the Act and the matters specified in it. By virtue of Section 37, the rules made by the

Central Government are required to be laid before Parliament and, in the case of rules made by State Governments, before the concerned State Legislature (s).

20. The Act and its provisions will be analysed in the course of this judgment. However, a preliminary appraisal of the framework of the Act would indicate that it was intended to provide a self-contained, almost wholly exclusive (the exceptions being specified in Section 28) forum for adjudication of all service related matters. The Tribunals created under the Act were intended to perform a substitution role as opposed to - and this distinction is of crucial significance - a supplemental role with regard to the High Courts.

21. According to the information provided to us by Mr. K.N. Bhat, the learned Additional Solicitor General, apart from the Central Administrative Tribunal which was established on 1.11.1985, eight States have set up State Administrative Tribunals, all of which are presently functioning. The States, along with the date of establishment of the particular State Administrative Tribunals, are as follows: Andhra Pradesh (1.11.1989), Himachal Pradesh (1.9.1986), Karnataka (6.10.1986), Madhya Pradesh (2.8.1988), Maharashtra (S.7.1989), Orissa (14.7.1986), Tamil Nadu (12.12.1988) and West Bengal (16.1.1995).

22. We may now analyse the "post-Sampath Kumar cases" which find mention in the order of the referring Bench. In J.B. Chopra's case, a Division Bench of this Court has occasion to consider one of the specific questions that has now arisen for our consideration, viz., whether the Central Administrative Tribunal constituted under the Act has the authority and the jurisdiction to strike down a rule framed by the President of India under the proviso to Article 309 of the Constitution as being violative of Articles 14 and 16(1) of the Constitution. When the matter came up before the Division Bench, the issue was still being considered by the Constitution Bench in Sampath Kumar's case. The Division Bench, therefore, deferred its judgment till the final pronouncement of the decision in Sampath Kumar's case. Thereafter, it analysed the Constitution Bench's decision to arrive at the conclusion that "the Administrative Tribunal being a substitute of the High Court had the necessary jurisdiction, power and authority to adjudicate upon all disputes relating to service matters including the power to deal with all question pertaining to the constitutional validity or otherwise of such laws as offending Article 14 and 16(1) of the Constitution."

23. An aspect which needs to be emphasised is that the Constitution Bench in Sampath Kumar's case had not specifically addressed the issue whether the Tribunals under the Act would have the power to strike down statutory provisions or rules as being constitutionally invalid. However, the Division Bench in J.B. Chopra's case felt that this proposition would follow as a direct and logical consequence of the reasoning employed in Sampath Kumar's case.

24. In M.B. Majumdar's case, a Division Bench of this Court had to confront the contention, based on the premise that in Sampath Kumar's case this Court had equated the Tribunals established under the Act with High Courts, that the Members of the Central Administrative Tribunals must be paid the same salaries as were payable to Judges of the High Court. The Court, after analysing the text of Article 323A of the Constitution, the provisions of the Act, and the decision in Sampath Kumar's case, rejected the contention that the Tribunals were the equals of the High Courts in

respect of their service conditions. The Court clarified that in Sampath Kumar's case, the Tribunals under the Act had been equated with High Courts only to the extent that the former were to act as substitutes for the latter in adjudicating service matters; the Tribunals could not, therefore, seek parity for all other purposes.

25. In Amulya Chandra's case, a Division Bench of this Court had to consider the question whether a dispute before the central Administrative Tribunal could be decided by a single Administrative Member. The Court took note of Sub-section (2) of Section 5 of the Act which, as we have seen, stipulates that a Bench of a Tribunal under the Act should ordinarily consist of a Judicial Member and an Administrative Member, as also the relevant observations in Sampath Kumar's case, to conclude that under the scheme of Act, all cases should be heard by a Bench of two Members. It appears that the attention of the Court was not drawn towards Sub-section (6) of Section 5 which, as we have noticed, enables a single Member of a Tribunal under the Act to hear and decide cases.

26. The same issue arose for consideration before another Bench of this Court in Dr. Mahabal Ram's case. The Court took note of the decision in Amulya Chandra's case and, since the vires of Sub-section (6) of Section 5 of the Act was not under challenge, held that Sub-sections (2) and (6) of Section 5 are to be harmoniously construed in the following manner (supra at p. 404):

..There is no doubt that what has been said in Sampath Kumar's case would require safeguarding the interest of litigants in the matter of disposal of their disputes in a judicious way. Where complex questions of law would be involved the dispute would require serious consideration and thorough examination. There would, however, be many cases before the Tribunal where very often no constitutional issues or even legal points would be involved..We are prepared to safeguard the interests of claimants who go before the Tribunal by Holding that while allocating work to the Single Member - whether Judicial or administrative - in terms of Sub-section (6), the Chairman should keep in view the nature of the litigation and where questions of law and for interpretation of constitutional provisions are involved they should not be assigned to a Single Member. In fact, the proviso itself indicates Parliament's concern to safeguard the interest of claimants by casting an obligation on the Chairman and Members who hear the cases to refer to a regular bench of two members such cases which in their opinion require to be heard by a bench of two Members. We would like to add that it would be open to either party appearing before a Single Member to suggest to the Member hearing the matter that it should go to a bench of two Members. The Member should ordinarily allow the matter to go to a bench of two Members when so requested. This would sufficiently protect the interests of the claimants and even of the administrative system whose litigation may be before the Single Member for disposal.. The vires of Sub-section (6) has not been under challenge and, therefore, both the provisions in Section 5 have to be construed keeping the legislative intention in view. We are of the view that what we have indicated above brings out the true legislative intention and the prescription in Sub-section (2) and the exemption in Sub-section (6) are rationalised.

27. In R.K. Jain v. Union of India : 1993(65)ELT305(SC) , a Division Bench of this Court consisting of three of us (Ahmadi, CJI, Punchbi and Ramaswamy, JJ.) had occasion to deal with complaints concerning the functioning of the Customs, Excise and Gold Control Appellate Tribunal, which was

set up by exercising the power conferred by Article 323B. In his leading judgment, Ramaswamy, J. analysed the relevant constitutional provisions, the Decisions in Sampath Kumar, J.B. Chopra and M.B. Majumdar to hold that the Tribunals created under Articles 323A and 323B could not be held to be substitutes of High Courts for the purpose of exercising jurisdiction under Articles 226 and 227 of the Constitution. Having had the benefit of more than five years' experience of the working of these alternative institutional mechanisms, anguish was expressed over their ineffectiveness in exercising the high power of judicial review. It was recorded that their performance had left much to be desired. Thereafter, it was noted that the sole remedy provided, that of an appeal to this Court under Article 136 of the Constitution, had proved to be prohibitively costly while also being inconvenient on account of the distances involved. It was suggested that an expert body like the Law Commission of India should study the feasibility of providing an appeal to a Bench of two Judges of the concerned High Court from the orders of such Tribunals and also analyse the working of the Tribunals since their establishment, the possibility of inducting members of the Bar to man such Tribunals etc. It was hoped that recommendations of such an expert body would be immediately adopted by the Government of India and remedial steps would be initiated to overcome the difficulties faced by the Tribunals, making them capable of dispensing effective, inexpensive and satisfactory justice.

2B. In a separate but concurring judgment, Ahmadi, J.(as he then was) speaking for himself and Punchhi, J., endorsed the recommendations in the following words:

..(T)he time is ripe for taking stock of the working of the various Tribunals set up in the country after the insertion of Articles 323A and 323B in the Constitution. A sound justice delivery system is a sine qua non for the efficient governance of a country wedded to the rule of law. An independent and impartial justice delivery system in which the litigating public has faith and confidence alone can deliver the goods. After the incorporation of these two articles, Acts have been enacted whereunder tribunals have been constituted for dispensation of justice. Sufficient time has passed and experience gained in these last few years for taking stock of the situation with a view to finding out if they have served the purpose and objectives for which they were constituted. Complaints have been heard in regard to the functioning of other tribunals as well and it is time that a body like the Law Commission of India has a comprehensive look-in with a view to suggesting measures for their improved functioning. That body can also suggest changes in the different statutes and evolve a model on the basis whereof tribunals may be constituted or reconstituted with a view to ensuring greater independence. An intensive and extensive study needs to be undertaken by the Law Commission in regard to the Constitution of tribunals under various statutes with a view to ensuring their independence so that the public confidence in such tribunals may increase and the quality of their performance may improve. We strongly recommend to the Law Commission of India to undertake such an exercise on priority basis. A copy of this judgment may be forwarded by the Registrar of this Court to the Member Secretary of the Commission for immediate action.

29. During the hearing, we requested the learned Additional Solicitor General of India, Mr. K.N. Bhat, to inform us of the measures undertaken to implement the directions issued by this Court in R.K. Jain's case. We were told that the Law Commission had in fact initiated a performance-analysis on the lines suggested in the judgment; however, when the Division Bench issued its order

indicating that Sampath Kumar's case might have to be reviewed by a larger Bench, further progress on the study was halted.

30. We may now apply ourselves to analysing the decision which has been impugned in one of the matters before us, C.A. No. 169 of 1994. The judgment, Sakinala Harinath and Ors. v. State of A.P., rendered by a full Bench of the Andhra Pradesh High Court, has declared Article 323A (2)(d) of the Constitution to be unconstitutional to the extent it empowers Parliament to exclude the jurisdiction of the High Courts under Article 226 of the Constitution; additionally, Section 28 of the Act has also been held to be unconstitutional to the extent it divests the High Courts of jurisdiction under Article 226 in relation to service matters.

31. The Judgment of the Court, delivered by M.N. Rao, J. has in a elaborate manner, viewed the central issues before us against the backdrop of several landmark decisions delivered by Constitution Benches of this Court as also the leading authorities in the comparative constitutional law. The judgment has embarked on a wide-ranging quest, extending to the American, Australian and British jurisdictions, to ascertain the true import of the concepts of 'judicial power', 'judicial review' and other related aspects. The judgment has also analysed a contention based on Article 371D of the Constitution, but, since that aspect is not relevant to the main controversy before us, we shall avoid its discussion.

32. The Judgment of the Andhra Pradesh High Court has, after analyzing various provisions of our Constitution, held that under our constitutional scheme the Supreme Court and the High Courts are the sole repositories of the power of judicial review. Such power, being inclusive of the power to pronounce upon the validity of statutes, actions taken and orders passed by individuals and bodies falling within the ambit of the expression "State" in Article 12 of the Constitution, has only been entrusted to the constitutional courts, i.e., the High Courts and this Court. For this proposition, support has been drawn from the rulings of this Court in Kesavananda Bharati v. State of Kerala : AIR1973SC1461, Special Reference No. 1 of 1964, [1965] 1 SCR 413; Indira Nehru Gandhi v. Raj Narain : [1975]3SCR854a; Minerva Mills Ltd. v. Union of India : [1981]1SCR206, Kihoto Hollohan v. Zachillu and Ors. : [1992]1SCR686 and certain other decisions, all of which have been extensively analysed and profusely quoted from.

33. Analysing the decision in Sampath Kumar's case against this back-drop, it is noted that the theory of alternative institutional mechanisms established in Sampath Kumar's case is in defiance of the proposition laid down in Kesvananda Bharati's case, Special reference case and Indira Gandhi's case, that the Constitutional Courts alone are competent to exercise the power of judicial review to pronounce upon the constitutional validity of statutory provisions and rules. The High Court, therefore, felt that the decision in Sampath Kumar's case, being per incuriam, was not binding upon it. The High Court also pointed out that, in any event, the issue of constitutionality of Article 323A (2) (d) was neither challenged nor upheld in Sampath Kumar's case and it could not be said to be an authority on that aspect.

34. Thereafter, emphasising the importance of service matters which affect the functioning of civil servants, who are an integral part of a sound governmental system, the High Court held that service

matters which involve testing the constitutionality of provisions or rules, being matters of grave import, could not be left to be decided by statutorily created adjudicatory bodies, which would be susceptible to executive influences and pressures. It was emphasised that in respect of constitutional Courts, the Framers of our Constitution had incorporated special prescriptions to ensure that they would be immune from precisely such pressures. The High Court also cited reasons for holding that the sole remedy provided, that of an appeal under Article 136 to this Court, was not capable of being a real safeguard. It was also pointed out that even the saving of the jurisdiction of this Court under Article 32 of the Constitution would not help improve matters. It was, therefore, concluded that although judicial power can be vested in a Court or Tribunal, the power of judicial review of the High Court under Article 226 could not be excluded even by a constitutional Amendment.

Article 323B.

35. This provision of the Constitution empowers Parliament or the State Legislatures, as the case may be, to enact laws providing for the adjudication or trial by Tribunals of disputes, complaints or offences with respect to a wide variety of matters which have been specified in the nine Sub-clause of Clause (2) of Article 323B. The matters specified cover a wide canvas including inter alia disputes relating to tax cases, foreign exchange matters, industrial and labour cases, ceiling on urban property, election to State Legislatures and Parliament, essential goods and their distribution, criminal offences etc. Clause (3) enables the concerned Legislature to provide for the establishment of a hierarchy of Tribunals and to lay down their jurisdiction, the procedure to be followed by them in their functioning, etc. Sub-clause (d) of Clause (3) empowers the concerned Legislature to exclude the jurisdiction of all courts, except the jurisdiction of the Supreme Court under Article 136 of the Constitution, with respect to all or any of matters falling within the jurisdiction of the Tribunals. The constitutional provision, therefore, invests Parliament or the State Legislatures, as the case may be, with powers to divest the traditional courts of a considerable portion of their judicial work.

36. According to the information provided to us by Mr. K.N. Bhat, the learned Additional Solicitor General, until the present date, only four Tribunals have been created under Article 323B pursuant to legislations enacted by the Legislatures of three States. The first of these was the West Bengal Taxation Tribunal which was set up in 1989 under the West Bengal Taxation Tribunal Act, 1987. Similarly, the Rajasthan Taxation Tribunal was set up in 1995 under the Rajasthan Taxation Tribunal Act, 1995. The State of Tamil Nadu has set up two Tribunals by utilising the power conferred upon it by Article 323B. The first of these was the Tamil Nadu Land Reforms Special Appellate Tribunal which was established on 1.11.1990 under the Tamil Nadu Land Reforms (Fixation of Ceiling of Land) Amendment Act, 1985 to deal with all matters relating to land reforms arising under the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961. Later, the Tamil Nadu Taxation Special Tribunal was established on 22.12.1995 under the Tamil Nadu Taxation Special Tribunal Act, 1992 to deal with cases arising under the Tamil Nadu General Sales Tax Act and Additional Sales Tax Act.

37. Certain problems have arisen in the functioning of these Tribunals especially in respect of the manner in which they exclude the jurisdiction of their respective High Courts. This aspect can be illustrated by briefly adverting to the broad facts of two of the matters before us. C.A. No. 1532-33 of

1993 arises as a result of conflicting orders issued by the West Bengal Taxation Tribunal and the Calcutta High Court. Certain petitioners had challenged the constitutional validity of some provisions in three legislations enacted by the West Bengal Legislature before the West Bengal Taxation Tribunal. After examining the matter and hearing the arguments advanced in response by the State of West Bengal, the West Bengal Taxation Tribunal, by this order dated 9.10.1991, upheld the constitutional validity of the impugned provisions. Thereafter, the constitutional validity of the same provisions was challenged in a Writ Petition before the Calcutta High Court. During the proceedings, the State of West Bengal raised the preliminary objection that by virtue of Section 14 of the West Bengal Taxation Tribunal Act, 1987, which excluded the jurisdiction of the High Court in all matters within the jurisdiction of the Taxation Tribunal, the Calcutta High Court had no jurisdiction to entertain the writ petition. However, the High Court proceeded with the case and, by its judgment dated 25.11.1992, declared the impugned provisions to be unconstitutional. These developments have resulted in an interesting situation, where the same provisions have alternately been held to be constitutional and unconstitutional by two different forms, each of which considered itself to be empowered to exercise jurisdiction.

38. S.L.P. No. 1776B of 1991 seeks to challenge a judgment of the Madras High Court which has held that the establishment of the Tamil Nadu Land Reforms Special Appellate Tribunal will not affect the powers of the Madras High Court to issue writs. This decision is based on the reasoning that the Legislature of the State had no power "to infringe upon the High Courts' powers to issue writs under Article 226 of the Constitution and to exercise its powers of superintendence under Article 227 of the Constitution."

39. It is against these circumstances that we must now test the propositions put forth for our consideration.

Submissions of Counsel.

40. We have heard the submission of several learned senior counsel who appeared for the various parties before us. Mr. Rama Jois and Mr. Shanti Bhushan, through their respective arguments, urged us to review the decision in Sampath Kumar's case and to hold Article 323 A (2)(d) and Article 323 B (3)(d) of the Constitution to be unconstitutional to the extent they allow Tribunals created under the Act to exclusively exercise the jurisdiction vested in the High Courts under Articles 226 and 227 of the Constitution. On the other hand, Mr. Bhat, the learned Additional Solicitor General, Mr. P.P. Rao, and Mr. K.K. Venugopal urged us to uphold the validity of the impugned constitutional provisions and to allow such Tribunals to exercise the jurisdiction under Article 226 of the Constitution. We have also heard arguments advanced on behalf of the Registrar of the Principal Bench of the Central Administrative Tribunal, who was represented before us by Mr. Kapil Sibal. Mr. V.R. Reddy, the learned Additional Solicitor General, urged us to set aside the judgment of the Madras High Court which affects the jurisdiction of the Tamil Nadu Land Reforms Special Appellate Tribunal. Certain other counsel have also addressed us in support of the main arguments advanced.

41. Mr. Rama Jois, learned Counsel for the petitioner in W.P. No. 918 of 1992, contended as follows:

(i) Section 5(6) of the Act, insofar as it allows a single Member Bench of a Tribunal to test the constitutional validity of a statutory provision, is unconstitutional. This proposition flows from the decisions in Sampath Kumar's case, Amulya Chandra's case and Dr. Mahabal Ram's case. In Sampath Kumar's case, this Court had required a Bench of a Tribunal to ordinarily consist of a Judicial Member and an Administrative Member. Consequently, Section 5 (2) of the Act was accordingly amended; however, since Section 5(6) was not amended simultaneously, the import of the observations in Sampath Kumar's case can still be frustrated. Even if the theory of alternative institutional mechanisms adopted in Sampath Kumar's case, is presumed to be correct, Section 5(6) of the Act will have to be struck down as a single Member Bench of a Tribunal cannot be considered to be a substitute for the exercise of the power of a High Court under Article 226 of the Constitution;

(ii) The impugned provisions of the Constitution, insofar as they exclude the jurisdiction of the Supreme Court and the High Courts under Articles 32 and of the Constitution, are unconstitutional. This is for the reason that: (a) Parliament cannot, in exercise of its constituent power, confer power on Parliament and the State Legislatures to exclude the constitutional jurisdiction conferred on the High Courts as the power to amend the Constitution cannot be conferred on the Legislatures; and (b) These provisions violate the basic structure of the Constitution insofar as they take away the power of judicial review vested in the Supreme Court under Article 32 of the Constitution and the High Courts under Articles 226 and 227 the Constitution. While the Tribunals constituted under Articles 323A and 323 B can be vested with the power of judicial review over administrative action, the power of judicial review of legislative action cannot be conferred upon them. This proposition flows from Kesavananda Bharati's case where it was held that under our constitutional scheme, only the constitutional courts have been vested with the power of judicial review of legislative action; (iii) While the provisions of the Act do not purport to affect the sacrosanct jurisdiction of the Supreme Court under Article 32 of the Constitution, Articles 323A and 323B allow Parliament to pursue such a course in future and are therefore liable to be struck down;

(iv) The decision in Sampath Kumar's case was founded on the hope that the Tribunals would be effective substitutes for the High Courts. This position is neither factually nor legally correct on account of the following differences between High Courts and these Tribunals: (a) High Courts enjoy vast powers as a consequence of their being Courts of record under Article 215 of the Constitution and also possess the power to issue Certificates of Appeal under Articles 132 and 133 of the Constitution in cases where they feel that a decision of this Court is required. This is not so for Tribunals; (b) the qualifications for appointment of a High Court Judge and the constitutional safeguards provided ensure the independence and efficiency of the Judges who man the High Courts. The conditions prescribed for Members of Tribunals are not comparable; (c) While the jurisdiction of the High Courts is constitutionally protected, a Tribunal can be abolished by simply repealing its parent statute; (d) While the expenditure of the High Courts is charged to the Consolidated Fund of the States, the Tribunals are dependent upon the appropriate Government for the grant of funds for meeting their expenses. These and other differences give rise to a situation whereby the Tribunals, being deprived of constitutional safeguards for ensuring their independence, are incapable of being effective substitutes for the High Courts; (v) Under our constitutional scheme, every High Court has, by virtue of Articles 226 and 227 of the Constitution, the power to issue prerogative writs or orders to all authorities and instrumentalities of the State which function within

its territorial jurisdiction. In such a situation, no authority or Tribunal located within the territorial jurisdiction of a High Court can disregard the law declared by it. The impugned constitutional provisions, insofar as they seek to divest the High Courts of their power of superintendence over all Tribunals and Courts situated within their territorial jurisdiction, violate the basic structure of the constitution, and (vi) In view of the afore-stated propositions, the decision in Sampath Kumar's case requires a comprehensive reconsideration.

42. Mr. Shanti Bhushan, appearing for the respondent in C.A. No. 1532-33/96, advanced the following submissions: (i) The 42nd Amendment to the Constitution, which introduced the impugned constitutional provisions, must be viewed in its historical context. The 42nd Amendment, being motivated by a feeling of distrust towards the established judicial institutions, sought, in letter and spirit, to divest constitutional courts of their jurisdiction. The aim was to vest such constitutional jurisdiction in creatures whose establishment and functioning could be controlled by the executive. Such an intent is manifest in the plain words of Articles 323A and 323B which oust the jurisdiction vested in this Court and the High Courts under Articles 32, 226 and 227 of the Constitution; (ii) The validity of the impugned provisions has to be determined irrespective of the manner in which the power conferred by them has been exercised. In Sampath Kumar's case, this Court restricted its enquiry to the Act, which did not oust the jurisdiction under Article 32, and did not explore the larger issue of the constitutionality of Article 323A (2)(d), which in express terms permits Parliament to oust the jurisdiction of the Supreme Court. This was not correct approach as the constitutionality of a provision ought not to be judged only against the manner in which power is sought to be exercised under it. The correct test is to square the provision against the constitutional scheme and then pronounce upon its compatibility. The vice in Article 323A (2)(d) is that it permits Parliament to enact, at a future date, a law to exclude the jurisdiction of this Court under Article 32. Being possessed of such potential for unleashing constitutional mischief in the future, its vires cannot be sustained; (iii) The power of judicial review vested in this Court under Article 32 and the High Court under Article 226 is part of the basic structure of the Constitution. The relevant portions of the decisions in Kesavananda Bharati's case, Fertiliser Corporation Kamgar Union v. Union of India : (1981)ILLJ193SC and Delhi Judicial Service Association v. State of Gujarat : AIR1991SC2150 highlight the importance accorded to Article 32 of the Constitution; (iv) The theory of alternative institutional mechanisms advocated in Sampath Kumar's case ignores the fact that judicial review vested in the High Courts consists not only of the power conferred upon the High Courts but also of the High Courts themselves as institutions endowed with glorious judicial traditions. The High Courts had been in existence since the 19th century and were possessed of a hoary past enabling them to win the confidence of the people. It is this which prompted the Framers of our Constitution to vest such constitutional jurisdiction in them. A Tribunal, being a new creation of the executive, would not be able to recreate a similar tradition and environment overnight. Consequently, the alternative mechanisms would not, in the absence of an atmosphere conducive to the building of traditions, be able to act as effective alternatives to High Courts for the exercise of constitutional Jurisdiction. In Pratibha Bonnerjee v. Union of India : AIR1996SC693 , this Court has analysed the special constitutional status of Judges of High Courts and explained how they are distinct from other tiers of the judiciary.

43. Mr. A.K. Ganguli, appearing for the second and third respondents in C.A. 1532-33/93, adopted the arguments of Mr. Rama Jois and Mr. Bhushan. In addition, he cited certain authorities in support of his contention that the power to interpret the provisions of the Constitution is one which has been solely vested in the constitutional courts and cannot be bestowed on newly created quasi-judicial bodies which are susceptible to executive influences.

44. Mr. K.N. Bhat, the learned Additional Solicitor General of India represented the Union of India which is a party in C.A. No. 169 of 1994 and C.A. No. 4B1 of 19B9. His contentions are as follows: (i) Clause 2(d) of Article 323A and Clause 3(d) of Article 323B ought not to be struck down on the ground that they exclude the jurisdiction of this Court under Article 32 of the Constitution. On account of several decisions of this Court, it is a well-established proposition in law that the jurisdiction of this Court under Article 32 of the Constitution is sacrosanct and is indisputably a part of the basic structure of the Constitution. This position had been clearly enunciated well before the 42nd Amendment to the Constitution was conceived. Therefore, Parliament must be deemed to have been aware of such a position and it must be concluded that the jurisdiction under Article 32 was not intended to be affected. However, the jurisdiction of the High Courts under Article 226 was sought to be removed by creating alternative institutional mechanisms. The theory enunciated in Sampath Kumar's case is based on sound considerations and does not require any reconsideration; (ii) Alternatively, Articles 323A and 323B do not seek to exclude the supervisory jurisdiction of the High Courts over all Tribunals situated within their territorial jurisdiction. Viewed from this perspective, the High Courts would still be vested with Constitutional powers to exercise corrective or supervisory jurisdiction; (iii) Since the decisions of this Court in Amulya Chandra's case and Dr. Mahabab Ram's case had clearly held that matters relating to the vires of a provision are to be dealt with by a Bench consisting of a judicial member and these guidelines will be followed in future, there is no vice of unconstitutionality in Section 5 (6).

45. Mr. P.P. Rao, learned Counsel for the State of Andhra Pradesh in C.A. No. 196 of 1994 and the connected special leave petitions, put forth the following submissions: (i) The matter before us involves a very serious, live problem which needs to be decided by adopting a pragmatic, cooperative approach instead of by a dogmatic, adversarial process. It is a fact that the Administrative Tribunals which were conceived as substitutes for the High Courts have not lived upto expectations and have instead, proved to be inadequate and ineffective in several ways. However, the striking down of the impugned constitutional provisions would, instead of remedying the problem, contribute to its worsening. The problem of pendency in High Courts which has been a cause for concern for several decades, has been focused upon by several expert committees and commissions. The problem of enormous increase in the volume of fresh institution coupled with massive areas has necessitated the seeking of realistic solutions in order to prevent High Courts from becoming incapable of discharging their functions. The consistent view of these expert committees has been that the only manner in which the situation can be saved is by transferring some of the jurisdiction of the High Courts, in relatively less important areas, to specially constituted Tribunals which would act as substitutes for the High Courts. In Sampath Kumar's case, this Court was required to test the constitutional validity of providing for such a substitute to the High Court in the shape of Administrative Tribunals. While deciding the case, this Court had actually monitored the amendments to the Act by a series of orders and directions given from time to time as the learned

Attorney General had offered to effect the necessary amendments to the Act to remove its defects. After the necessary amendments were made to the Act, this Court was satisfied that there was no need to strike it down as it was of the view that the Act would provide an effective alternative forum to the High Courts for the resolution of service disputes. However, the actual functioning of the Tribunals during the last decade has brought forth several deficiencies which need to be removed. The remedy, however, lies not in striking down the constitutional provisions involved but in allowing the Union of India to further amend the Act so as to ensure that the Tribunals become effective alternative form; (ii) Article 323A (2)(d) does not violate the basic structure of the Constitution. The relevant observations in *Keshvananda Bharati's* case, show that there is an inherent distinction between the individual provisions of the Constitution and the basic features of the Constitution. While the basic features of the Constitution cannot be changed even by amending the Constitution each and every provision of the Constitution can be amended under Article 368. The majority judgments in *Keshvananda Bharti's* case emphatically state that the concept of separation of powers is a basic feature of the Constitution. It, therefore, follows that the powers of judicial review, which is a necessary concomitant of the independence of the judiciary, is also a basic feature of our Constitution. However, it does not follow that specific provisions such as Article 32 or Article 226 are by themselves part of the basic structure of the Constitution. In this regard, the history of Article 31, which contained a Fundamental Right to Property and was shifted from Part III to Chapter IV of Part XII can be cited by way of an example; (iii) the essence of the power of judicial review is that it must always remain with the judiciary and must not be surrendered to the executive or the legislature. Since the impugned provisions save the jurisdiction of this Court under Article 136, thereby allowing the judiciary to have the final say in every form of adjudication, it cannot be said that the basic feature of judicial review had been violated. The constitutional bar is against the conferment of judicial power on agencies outside the judiciary. However, if within the judicial set-up, arrangements are made in the interests of bolter administration of justice to limit the jurisdiction under Article 32 and 226 of the Constitution, there can be no grievance. In fact, it is in the interest of better administration of justice that this Court has developed a practice, even in the case of violation of Fundamental Rights, of requiring parties to approach the concerned High Court under Article 226 instead of directly approaching this Court under Article 32 of the Constitution. This, undoubtedly, has the effect of limiting the jurisdiction of this Court under Article 32 but, being necessary for proper administration of justice, cannot be challenged as unconstitutional. Service matters, which are essentially in the nature of in-house disputes, being of lesser significance than those involving Fundamental Rights, can also be transferred to Tribunals on the same reasoning; (iv) By virtue of Order XXVII-A, Rule 1A, ordinary civil courts are empowered to adjudicate upon questions of vires of statutory rules and instruments. In view of this situation, there is no constitutional difficulty in empowering Tribunals to have similar powers; (v) Alternatively, in case we are inclined to take view that the power of judicial review of legislative enactments cannot in any event be conferred on any other Court or Tribunal, we may use the doctrine of reading down to save the impugned constitutional provisions. So construed, the High Courts would continue to have jurisdiction to decide the vires of an Act even in the area of service disputes and would, therefore, perform a supervisory role over Tribunals in respect of matters involving constitutional questions.

46. Mr. K.K. Venugopal, representing the State of West Bengal in S.L.P. No. 1063 of 1996 and C.A. No. 1532-33 of 1993, began by reiterating the contention that the impugned provisions do not seek

to oust the jurisdiction of this Court under Article 32 which is a basic feature of the Constitution. His alternative contention was that since the provisions do not exclude the jurisdiction under Article 136 and since Article 32 (3) itself conceives of the delegation of that jurisdiction, the ouster of the jurisdiction under Article 32 was not unconstitutional. This submission was based on the reasoning that, in the absence of any specific constitutional prohibition, both Parliament and the State legislatures were vested with sufficient legislation powers to effect changes in the original jurisdiction of this Court as well as the High Courts. He then stated that in the event that we are not inclined to hold in accordance with either of the earlier contentions, the doctrine of severability should be applied to excise the words "under Article 136" from the provisions and thus save them from the vice of unconstitutionality. Thereafter, he endeavoured to impress upon us the jurisprudential soundness of the theory of alternative institutional mechanism propounded in Sampath Kumar's case. He then contended that the shortfalls in the Constitution of the Tribunals, the selection of their personnel, the methods of their appointment etc. are a consequence of legislative and executive errors of judgment; these shortfalls cannot affect the constitutionality of the parent constitutional provisions. He concluded by declaring that these constitutional amendments were lawfully incorporated by the representatives of the people in exercise of the constituent power of Parliament to remedy the existing problem of inefficacious delivery of justice in the High Courts. He counseled us not to substitute our decision for that of the policy evolved by Parliament in exercise of its constituent power and urged us to suggest suitable amendments, as was done in Sampath Kumar's case, to make up for the shortfalls in the existing system.

47. Mr. Kiran K. Shah, the petitioner in W.P. No. 789 of 1990, who is a lawyer practicing before the Ahmedabad Bench of the Central Administrative Tribunal, sought to apprise us of the practical problems faced by advocates in presenting their cases before the Central Administrative Tribunal and of several complaints regarding the discharge of their official duties.

48. The Registrar of the Principle Bench of the Central Administrative Tribunal, who is the Second respondent in C.A. No. 481 of 1989, was represented before us by Mr. Kapil Sibal. The case of the Registrar is that the Tribunals, as they are functioning at present, are not effective substitutes for the High Courts. However, the creation of alternative institutional mechanisms is not violative of the basic structure so long as it is as efficacious as the constitutional courts. He urged us to discontinue the appointment of Administrative Members to the Tribunals and to ensure that the Members of the Tribunals have security of tenure, which is a necessary pre-requisite for securing their independence.

49. Mr. V.R. Reddy, the learned Additional Solicitor General of India, drew our attention towards the judgment of the Madras High Court which is the subject of challenge in S.L.P. No. 17768 of 1991. Mr. Reddy endeavoured to convince us that the amendments incorporated in the legislation which created the Tamil Nadu Land Reforms Special Appellate Tribunal after the decision in Sampath Kumar's case have the effect of making it a proper and effective substitute for the High Courts. He also submitted that the functioning of the Land Reforms Tribunal was essential for the effective resolution of disputes in that branch of law.

50. We may now address the main issues which have been identified at the beginning of this judgment as being central to the adjudication of this batch of matters. This would involve an appreciation of the power of judicial review and an understanding of the manner and the instrumentalities through which it is to be exercised.

51. The underlying theme of the impugned judgment of the A.P. High Court rendered by M.N. Rao, J. is that the power of judicial review is one of the basic features of our Constitution and that aspect of the power which enables courts to test the constitutional validity of statutory provisions is vested exclusively in the constitutional courts, i.e., the High Courts and the Supreme Courts. In this regard, the position in American Constitutional Law in respect of Courts created under Article III of the Constitution of the United States has been analysed to state that the functions of Article III Courts (constitutional courts) cannot be performed by other legislative courts established by the Congress in exercise of its legislative power. The following decisions of the U.S. Supreme Court have been cited for support : National Mugal Insurance Co. of the District of Columbia v. Tidewater Transfer Co. 93 L. Ed. 1156 337 US 582, Thomas S. Wilkum v. United States 77 L. Ed. 1372 289 US 553, Cooper v. Aaron 3 L. Ed. 2d 5 358 US 1, Northern Pipeline Construction Co. v. Marathon Pipeline Co. and United States 73 L. Ed. 2d 59 458 US 50.

52. We may briefly advert to the position in American Constitutional Law to the extent that it is relevant for our purpose. As pointed out by Henry J. Abraham, an acclaimed American Constitutional Law scholar, judicial review in the United States comprises the power of any court to hold unconstitutional and hence unenforceable any law, any official action based upon a law or any other action by a public official that it deems to be in conflict with the Basic Law, in the United States, its Constitution. It further stated that in the United States, the highly significant power of judicial review is possessed, theoretically, by every court of record, no matter how high or low on the judicial ladder. Though it occurs only infrequently, it is quite possible for a Judge in a low-level court of one of the 50 States to declare a Federal Law unconstitutional.

53. The position can be better appreciated by analysing the text of Section 1 of Article III of the U.S. Constitution:

Article III, Section 1 - The Judicial Power of the United States, shall be vested in one Supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good behavior, and shall, at stated times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

(Emphasis added)

54. The judgment of the A.P. High Court is, therefore, correct in asserting that the judicial power vested in Article III of the U.S. Constitution can only be exercised by courts created under Section 1 of Article III. However, what must be emphasised is the fact that Article III itself contemplates the conferment of such judicial power by the U.S. Congress upon inferior courts so long as the independence of the Judges is ensured in terms of Section 1 to Article III. The proposition which

emerges from this analysis is that in the United States, though the concept of judicial power has been accorded great constitutional protection, there is no blanket prohibition on the conferment of judicial power upon courts other than the U.S. Supreme Court.

55. Henry J. Abraham's definition of judicial review in the American context is, subject to a few modifications, equally applicable to concept as it is understood in Indian Constitutional Law. Broadly speaking, judicial review in India comprises three aspects: judicial review of legislative action, judicial review of judicial decisions and judicial review of administrative action. We are, for the present, concerned only with understanding the first two aspects.

56. In the modern era, the origin of the power of judicial review of legislative action may well be traced to the classic enunciation of the principle by Chief Justice John Marshall of the U.S. Supreme Court in *Marbury v. Mad* 1 Cr 137 (1803):

It is emphatically the province and duty of the judicial department to say what the law is. Those who apply the rule to particular cases, must of necessity expound and interpret that rule..A law repugnant to the Constitution is void.. Courts as well as other departments are bound by that instrument.

(Emphasis added) The assumption of such a power unto itself by the U.S. Supreme Court was never seriously challenged and, over the years, it has exercised this power in numerous cases despite the persisting criticism that such an exercise was undemocratic. Indeed, when the Framers of our Constitution set about their monumental task, they were well aware that the principle that courts possess the power to invalidate duly enacted legislations had already acquired a history of nearly a century and a half.

57. At a very early stage of the history of this Court, when it was doubted whether it was justified in exercising such a power, Patanjali Sastri, CJ, While emphatically laying down the foundation of the principle held as follows State of Madras v. V.G. Row : 1952CriLJ966 :

..[O]ur Constitution contains express provisions for judicial review of legislation as to its conformity with the Constitution, unlike as in America where the Supreme Court has assumed extensive powers of reviewing legislative acts under cover of the widely interpreted "due process" clause in the Fifth and Fourteenth Amendments. If, then, the courts, in this country face up to such important and none too easy task, it is not out of any desire to tilt at legislative authority in a crusader's spirit, but in discharge of a duty plainly laid upon them by the constitution. This is especially true as regards the "fundamental rights", as to which this Courts has been assigned the role of a sentinel on the qui vive. While the Court naturally attaches great weight to the legislative judgment, it cannot desert its own duty to determine finally the constitutionality of an impugned statute.

(Emphasis added)

58. Over the years, this Court has had many an opportunity to express its views on the power of judicial review of legislative action. What follows is an analysis of the leading pronouncements on

the issue.

59. While delivering a separate but concurring judgment in the five-Judge Constitution Bench Decision in *Bidi Supply Co. v, The Union of India and Ors.* : [1956]29ITR717(SC) , Bose, J. made the following observations which are apposite to the Present context:

The heart and core of democracy lies in the judicial process, and that means independent and fearless judges free from executive control brought up in judicial traditions and training to judicial ways of working and thinking. The main bulwarks of liberty of freedom lie there and it is clear to me that uncontrolled powers of discrimination in matters that seriously affect the lives and properties of people cannot be left to executive or quasi executive bodies even if they exercise quasi judicial functions because they are then invested with an authority that even Parliament does not possess. Under the Constitution, Acts, of Parliament are subjected to judicial review particularly when they are said to infringe fundamental rights, therefore, if under the Constitution Parliament itself has not uncontrolled freedom, of action, it is evident that it cannot invest lesser authorities with that power.

60. Special Reference No. 1 of 1964, was a case where a seven-Judge Constitution Bench of this Court had to express itself on the thorny issue of Parliamentary privileges. While doing so, the Court was required to consider the manner in which our Constitution has envisaged a balance of power between the three wings of Government and it was in this context that Gajendragadkar, CJ made the following observations:

..[W]hether or not there is distinct and rigid separation of powers under the Indian Constitution, there is no doubt that the Constitution has entrusted to the Judicature in this country the task of construing the provisions of the Constitution and of safeguarding the fundamental rights of the citizens. When a statute is challenged on the ground that it has been passed by a Legislature without authority, or has otherwise unconstitutionally trespassed on fundamental rights, it is for the courts to determine the dispute and decide whether the law passed by the legislature is valid or not. Just as the legislatures are conferred legislative functions, and the functions and authority of the executive lie within the domain of executive authority, so the jurisdiction and authority of the Judicature in this country lie within the domain of adjudication. If the validity of any law is challenged before the courts, it is never suggested that the material question as to whether legislative authority has been exceeded or fundamental rights have been contravened, can be decided by the legislatures themselves. Adjudication of such a dispute is entrusted solely and exclusively to the Judicature of this country.

(Emphasis added)

61. It is interesting to note that the origins of the power of judicial review of legislative action have not been attributed to one source alone. While Sastri, C.J. found the power mentioned expressly in the text of the Constitution, Gajendragadkar, C.J. preferred to trace it to the manner in which the Constitution has separated powers between the three wings of Government.

62. In *Kesavananda Bharati's* case, a 13 - Judge Constitution Bench, by a majority of 7:6, held that though, by virtue of Article 368, Parliament is empowered to amend to Constitution, that power cannot be exercised so as to damage the basic features of the Constitution or to destroy its basic structure. The identification of the features which constitute the basic structure of our Constitution has been the subject-matter of great debate in Indian Constitutional Law. The difficulty is compounded by the fact that even the judgments for the majority are not unanimously agreed on this aspect. [There were five judgments for the majority, delivered by Sikri, C.J., Shelat & Grover, JJ, Hegde & Mukherjee, JJ, Jaganmohan Reddy, J. and Khanna, J. While Khanna, J. did not attempt to catalogue the basic features, the identification of the basic features by the other Judges are specified in the following paragraphs of the Court's judgments : Sikri, C.J. (para 292), Shelat and Grover, JJ. (para 582), Hegde and Mukherjee, JJ. (paras 632, 661) and Jaganmohan Reddy, J. (paras 1159, 1161)]. The aspect of judicial review does not find elaborate mention in all the majority judgments. Khanna, J. did, however, squarely address the issue (at para 1529):

..The power of judicial review is, however, confined not merely to deciding whether in making the impugned laws the Central or State Legislatures have acted within the four corners of the legislative lists earmarked for them; the courts also deal with the question as to whether the laws are made in conformity with and not in violation of the other provisions of the Constitution..As long as some fundamental rights exist and are a part of the Constitution, the power of judicial review has also to be exercised with a view to see that the guarantees afforded by those rights are not contravened.. Judicial review has thus become an integral part of our constitutional system and a power has been vested in the High Courts and the Supreme Court to decide about the constitutional validity of provisions of statutes. If the provisions of the statute are found to be violative of any article of the Constitution, which is touchstone for the validity of all laws, the Supreme Court and the High Courts are empowered to strike down the said provisions.

(Emphasis added)

63. Shelat & Grover, JJ., while reaching the same conclusion in respect of Articles 32 & 226, however, adopted a different approach to the issue (at para 577):

There is ample evidence in the Constitution itself to indicate that it creates a system of checks and balances by reason of which powers are so distributed that none of the three organs it sets up can become so pre-dominant as to disable the others from exercising and discharging powers and functions entrusted to them. Though the Constitution does not lay down the principle of separation of powers in all its rigidity as is the case in the United States Constitution but it envisages such a separation to a degree as was found in *Ranasingh's* case (supra). The judicial review provided expressly in our Constitution by means of Articles 226 and 32 is one of the features upon which hinges the system of checks and balances.

(Emphasis added)

64. In *Indira Nehru Gandhi v. Raj Narain*, five-Judge Constitution Bench had to, inter alia, test the Constitutional validity of provisions which vested the jurisdiction of all Courts including the

Supreme Court, in election matters. Consequently, the Court was required to express its opinion on the concept of judicial review. Though all five Judges delivered concurring judgments to strike down the offending provision, their views on the issue of judicial review are replete with variations. Ray, C.J., was of the view that the concept of judicial review, while a distinctive feature of American Constitutional Law, is not founded on any specific Article in our Constitution. He observed that judicial review can and has been excluded in several matters; in election matters, judicial review is not a compulsion. He, however, held that our Constitution recognises a division of the three main functions of Government and that judicial power, which is vested in the judiciary cannot be passed to or shared by the Executive or the Legislature. (Paras 32, 43, 46, 52). Khanna, J. took the view that it is not necessary, within a democratic set up, (hat disputes relating to the validity of elections be settled by Courts of Law; he, however, felt that even so the legislature could not be permitted to declare that the validity of a particular election would act be challenged before any forum and would be valid despite the existence of disputes. (Para 207). Mathew, J. held that whereas in the United States of America and in Australia, the judicial power is vested exclusively in Courts, there is no such exclusive vesting of judicial power in the Supreme Court of India and the Courts subordinate to it. Therefore, the Parliament could, by passing a law within its competence, vest judicial power in any authority for deciding a dispute. (Paras 322 and 323). Beg, J. held that the power of Courts to test the legality of ordinary laws and constitutional amendments against the norms laid down in the Constitution flows from the 'supremacy of the Constitution' which is a basic feature of the Constitution. (Para 622). Chandrachud, J. felt that the contention that judicial review is a part of the basic structure and that any attempt to exclude the jurisdiction of courts in respect of election matters was unconstitutional, was too broadly stated. He pointed out that the Constitution, as originally enacted, expressly excluded judicial review in a large number of important matters. The examples of Articles 136(2) and 226(4) [exclusion of review in laws relating to armed forces], Article 262(2) [exclusion of review in river disputes] Article 103(1) [exclusion of review in disqualification of Members of Parliament], Article 329(a) [exclusion of review in laws relating to delimitation of constituencies and related matters], were cited for support. Based on this analysis, Chandrachud, J. came to the conclusion that since the Constitution, as originally enacted, did not consider that judicial power must intervene in the interests of purity of elections, judicial review cannot be considered to be a part of the basic structure in so far as legislative elections are concerned.

65. The foregoing analysis reveals that the Judges in Indira Gandhi's case, all of whom had been party to Kesavananda Bharati's case, did not adopt similar approaches to the concept of judicial review. While Beg, J. clearly expressed his view that judicial review was a part of the basic structure of the Constitution, Ray, CJ and Mathew, J. pointed out that unlike in the American context, judicial power had not been expressly vested in the judiciary by the Constitution of India. Khanna, J. did not express himself on this aspect, but in view of his emphatic observations in Kesavananda Bharati's case, his views on the subject can be understood to have been made clear. Chandrachud, J. pointed out that the Constitution itself excludes judicial review in a number of matters and felt that in election matters, judicial review is not a necessary requirement.

66. In Minerva Mills v. Union of India, a five-Judge Constitution Bench of this Court had to consider the validity of certain provisions of the Constitution (42nd Amendment) Act, 1976 which inter alia, excluded judicial review. The judgment for the majority, delivered by Chandrachud, CJ for four

Judges, contained the following observations(at p. 644, para 21):

..Our Constitution is founded on a nice balance of power among the three wings of the State, namely, the Executive, the Legislature and the Judiciary. It is the function of the Judges, nay their duty, to pronounce upon the validity of laws. If courts are totally deprived of that power, the fundamental rights conferred upon the people will become a mere adornment because rights without remedies are as writ in water. A controlled Constitution will then become uncontrolled.

(Emphasis supplied)

67. The majority judgment held the impugned provisions to be unconstitutional. While giving reasons in support, Chandrachud, CJ stated as follows:

..It is for the courts to decide whether restrictions are reasonable and whether they are in the interest of the particular subject. Apart from other basic dissimilarities, Article 31-C takes away the power of judicial review to an extent which destroys even the semblance of a comparison between its provisions and those of Clauses (2) to (6) of Article 19. Human ingenuity, limitless though it may be, has yet not devised a system by which the liberty of the people can be protected except through the intervention of courts of law.

68. It may, however, be noted that the majority in Minerva Mills did not hold that the concept of judicial review was, by itself, part of the basic structure of the Constitution. The judgment of Chandrachud, CJ in the Minerva Mill's case must be viewed in the context of his judgment in Indra Gandhi's case where he had stated that the Constitution, as originally enacted, excluded judicial review in several important matters.

69. In his minority judgment in Minerva Mill's case, Bhagwati, J. held as follows:

..The Constitution has, therefore, created an independent machinery for resolving these disputes and this independent machinery is the judiciary which is vested with the power of judicial review to determine the legality of executive action and the validity of legislation passed by the legislature. It is the solemn duty of the judiciary under the Constitution to keep the different organs of the State such as the executive and the legislature within the limits of the power conferred upon them by the Constitution. This power of judicial review is conferred on the judiciary by Articles 32 and 226 of the Constitution. The judiciary is the interpreter of the Constitution and to the judiciary is assigned the delicate task to determine what is the power conferred on each branch of government, whether it is limited, and if so, what are the limits and whether any action of that branch transgresses such limits. It is for the judiciary to uphold the constitutional values and to enforce the constitutional limitations. That is the essence of the rule of law, which inter alia requires that "the exercise of powers by the government whether it be the legislature or the executive or any other authority, be conditioned by the Constitution and the law". The power of judicial review is an integral part of our constitutional system the power of judicial review..is unquestionably..part of the basic structure of the Constitution. Of course, when I say this I should not be taken to suggest that effective alternative institutional mechanisms or arrangements for judicial review cannot be made by Parliament.

(Emphasis added)

70. The A.P. High Court has, through the judgment of M.N. Rao, J., pointed out that the theory of alternative institutional mechanisms enunciated by Bhagwati, J. in his minority judgment in *Minerva Mill's case* was not supported by or even mentioned in the majority judgment. In fact, such a theory finds no prior mention in the earlier decisions of this Court and, in the opinion of the A.P. High Court, did not represent the correct legal position. It is to be noted that in *Sampath Kumar's case*, both Bhagwati, CJ and Misra, J. in their separate judgment have relied on the observations in the minority judgment of Bhagwati, J. in *Minerva Mill's case* to lay the foundation of the theory of alternative institutional mechanisms.

71. We may, at this stage, take note of the decision in *Fertiliser Corporation Kamgar Union v. Union of India* : (1981)ILLJ193SC, where Chandrachud, CJ appears to have somewhat revised the view adopted by him in *Indira Gandhi's case*. In that case, speaking for the majority, Chandrachud, CJ held that "the jurisdiction conferred on the Supreme Court by Article 32 is an important and integral part of the basic structure of the Constitution." (at para 11).

72. In *Kihoto Hollohan v. Zachillu and Ors.*, a five-Judge Constitution Bench had to, inter alia, consider the validity of Paragraph 7 of the Tenth Schedule to the Constitution which excluded judicial review. The judgment for the minority, delivered by Verma, J. struck down the provision on the ground that it violated the rule of law which is a basic feature of the Constitution requiring that decisions be subject to judicial review by an independent outside authority. (Paras 181-182). Though the majority judgment delivered by Venkatachaliah, J. also struck down the offending provision, the reasoning employed was different. The judgment for the majority contains an observation to the effect that, in the opinion of the judges in the majority, it was not necessary for them to express themselves on the question whether judicial review is part of the basic structure of the Constitution. (Para 120).

73. We may now analyse certain other authorities for the proposition that the jurisdiction conferred upon the High Courts and the Supreme-Court under Article 226 and 32 of the Constitution respectively, is part of the basic structure of the Constitution. While expressing his views on the significance of draft Article 25, which corresponds to the present Article 32 of the Constitution, Dr. B.R. Ambedkar, the Chairman of the Drafting Committee of the Constituent Assembly stated as follows (CAD, Vol. VII, p.

953):

If I was asked to name any particular Article in this Constitution as the most important - an Article without which this Constitution would be a nullity--I could not refer to any other Article except this one. It is the very soul of the Constitution and the very heart of it and I am glad that the House has realised its importance.

(Emphasis added)

74. This statement of Dr. Ambedkar has been specifically reiterated in several judgments of this Court to emphasise the unique significance attributed to Article 32 in our constitutional scheme. [See for instance, Khanna, J. in Kesavananda Bharati's case (p. 818), Bhagwati, J. in Minerva Mills (p. 678), Chandrachud, CJ Fertiliser Kamgar (para 11), R. Misra, J. in Sampath Kumar (p. 137)].

75. In the Special Reference Case, While addressing this issue, Gajendragadhkar, CJ stated as follows (supra at pp. 493- 494):

If the power of the High Courts under Article 226 and the authority of this Court under Article 32 are not subject to any exceptions, then it would be futile to contend that a citizen cannot move the High Courts or this Court to invoke their jurisdiction even in cases where his fundamental rights have been violated. The existence of judicial power in that behalf must necessarily and inevitably postulate the existence of a right in the citizen to move the Court in that behalf; otherwise the power conferred on the High Courts and this Court would be rendered virtually meaningless. Let it not be forgotten that the judicial power conferred on the High Courts and this Court is meant for the protection of the citizens' fundamental rights, and so, in the existence of the said judicial power itself is necessarily involved the right of the citizen to appeal to the said power in a proper case.

(Emphasis added)

76. To express our opinion on the issue whether the power of judicial review vested in the High Courts and into the Supreme Court under Articles 226/227 and 32 is part of the basic structure of the Constitution, we must first attempt to understand what constitutes the basic structure of the Constitution. The Doctrine of basic structure was evolved in Kesvananda Bharati's case. However, as already mentioned, that case did not lay down that the specific and particular features mentioned in that judgment alone would constitute the basic structure of our Constitution. Indeed, in the judgments of Shelat & Grover, JJ., Hegde & Mukherjee, JJ. and Jaganmohan Reddy, J., there are specific observations to the effect that their list of essential features comprising the basic structure of the Constitution are illustrative and are not intended to be exhaustive. In Indira Gandhi's case, Chandrachud, J. held that the proper approach for a Judge who is confronted with the question whether a particular facet of the Constitution is part of the basic structure, is to examine, in each individual case, the place of the particular feature in the scheme of our Constitution, its object and purpose, and the consequences of its denial on the integrity of our Constitution as a fundamental instrument for the governance of the country, (supra at pp. 751-752). This approach was specifically adopted by Bhagwati, J. in Minerva Mill's case (supra at pp. 671-672) and is not regarded as the definitive test in this field of Constitutional Law.

77. We find that the various factors mentioned in the test evolved by Chandrachud, J. have already been considered by decisions of various Benches of this Court that have been referred to in the course of our analysis. From their conclusions, many of which have been extracted by us in toto, it appears that this Court has always considered the power of judicial review vested in the High Courts and in this Court under Articles 226 and 32 respectively, enabling legislative action to be subjected to the scrutiny of superior courts, to be integral to our constitutional scheme. While several judgments have made specific references to this aspect [Gajendragadhkar, CJ in Special Reference

case, Beg, J. and Khanna, J. in Kesavananda Bharti's case, Chandrachud, CJ and Bhagwati, J. in Minerva Mills, Chandrachud, CJ in Fertiliser Kamgar, K.N. Singh, J. in Delhi Judicial Service Association, etc.] the rest have made general observations highlighting the significance of this feature.

78. The legitimacy of the power of Courts within constitutional democracies to review legislative action has been questioned since the time it was first conceived. The Constitution of India, being alive to such criticism, has, while conferring such power upon the higher judiciary, incorporated important safeguards. An analysis of the manner in which the Framers of our Constitution incorporated provisions relating to the judiciary would indicate that they were very greatly concerned with securing the independence of the judiciary. These attempts were directed at ensuring that the judiciary would be capable of effectively discharging its wide powers of judicial review. While the Constitution confers the power to strike down laws upon the High Courts and the Supreme Court, it also contains elaborate provisions dealing with the tenure, salaries, allowances, retirement age of Judges as well as the mechanism for selecting Judges to the superior courts. The inclusion of such elaborate provisions appears to have been occasioned by the belief that, armed by such provisions, the superior courts would be insulated from any executive or legislative attempts to interfere with the making of their decisions. The Judges of the superior courts have been entrusted with the task of upholding the Constitution and to this end, have been conferred the power to interpret it. It is they who have to ensure that the balance of power envisaged by the Constitution is maintained and that the legislature and the executive do not, in the discharge of their functions, transgress constitutional limitations. It is equally their duty to oversee that the judicial decisions rendered by those whom man the subordinate courts and tribunals do not fall foul of strict standards of legal correctness and judicial independence. The constitutional safeguards which ensure the independence of the Judges of the superior judiciary, are not available to the Judges of the subordinate judiciary or to those whom man Tribunals created by ordinary legislations. Consequently, Judges of the latter category can never be considered full and effective substitutes for the superior judiciary in discharging the function of constitutional interpretation. We, therefore, hold that the power of judicial review over legislative action vested in the High Courts under Articles 226 and in this Court under Article 32 of the Constitution is an integral and essential feature of the Constitution, constituting part of its basic structure. Ordinarily, therefore, the power of High Courts and the Supreme Court to test the constitutional validity of legislations can never be ousted or excluded.

79. We also hold that the power vested in the High Courts to exercise judicial superintendence over the decisions of all Courts and Tribunals within their respective jurisdictions is also part of the basic structure of the Constitution. This is because a situation where the High Courts are divested of all other judicial functions apart from that of constitutional interpretation, is equally to be avoided.

80. However, it is important to emphasise that though the subordinate judiciary or Tribunals created under ordinary legislations cannot exercise the power of judicial review of legislative action to the exclusion of the High Courts and the Supreme Court, there is no constitutional prohibition against their performing a supplemental—as opposed to a substitution—role in this respect. That such a situation is contemplated within the constitutional scheme becomes evident when one

analyses Clause (3) of Article 32 of the Constitution which reads as under:

32. Remedies for enforcement of rights conferred by this Part.--(1)..

(2) ..

(3) Without prejudice to the powers conferred on the Supreme Court by Clauses (1) and (2), Parliament may by law empower any other court to exercise within the local limits of its jurisdiction all or any of the powers exercisable by the Supreme Court under Clause (2).

(Emphasis supplied)

S1. If the power under Article 32 of the Constitution, which has been described as the "heart" and "soul" of the Constitution, can be additionally conferred upon "any other court", there is no reason why the same situation cannot subsist in respect of the jurisdiction conferred upon the High Courts under Article 226 of the Constitution. So long as the jurisdiction of the High Courts under Articles 226/227 and that of this Court under Article 32 is retained, there is no reason why the power to test the validity of legislations against the provisions of the Constitution cannot be conferred upon Administrative Tribunals created under the Act or upon Tribunals created under Article 323B of the Constitution. It is to be remembered that, apart from the authorisation that flows from Articles 232A and 323B, both Parliament and the State Legislatures possess legislative competence to effect changes in the original jurisdiction of the Supreme Court and the High Courts. This power is available to Parliament under Entries 77, 78, 79 and 95 of List I and to the State Legislatures under Entry 65 of List II; Entry 46 of List III can also be availed of both by Parliament and the State Legislatures for this purpose.

S2. There are pressing reasons why we are anxious to preserve the conferment of such a power on these Tribunals. When the Framers of our Constitution bestowed the powers of judicial review of legislative action upon the High Courts and the Supreme Court, they ensured that other constitutional safeguards were created to assist them in effectively discharging this onerous burden. The expectation was that this power would be required to be used only occasionally. However, in the five decades that have ensued since independence, the quantity of litigation before the High Courts has exploded in an unprecedented manner. The decision in Sampath Kumar's case was rendered against such a backdrop. We are conscious of the fact that when a Constitution Bench of this Court in Sampath Kumar's case adopted the theory of alternative institutional mechanisms, it was attempting to remedy an alarming practical situation and the approach selected by it appeared to be most appropriate to meet the exigencies of the time. Nearly a decade later, we are now in a position to review the theoretical and practical results that have arisen as a consequence of the adoption of such an approach.

S3. We must, at this stage, focus upon the factual position which occasioned the adoption of the theory of alternative institutional mechanisms in Sampath Kumar's case. In his leading judgment, R. Misra, J. refers to the fact that since independence, the population explosion and the increase in litigation had greatly increased the burden of pendency in the High Courts. Reference was made to

studies conducted towards relieving the High Courts of their increased load. In this regard, the recommendations of the Shah Committee for setting up independent Tribunals as also the suggestion of the Administrative Reforms Commission that Civil Service Tribunals be set up, were noted. Reference was also made to the decision in K.K. Dutta v. Union of India : (1980)11LLJ182SC, where this Court had, while emphasising the need for speedy resolution of service disputes, proposed the establishment of Service Tribunals.

84. The problem of clearing the backlogs of High Courts, which has reached colossal proportions in our times is, nevertheless, one that has been the focus of study for close to a half century. Over time, several Expert Committees and Commissions have analysed the intricacies involved and have made suggestions, not all of which have been consistent. Of the several studies that have been conducted in this regard, as many as twelve have been undertaken by the Law Commission of India (hereinafter referred to as "the LCI") or similar high level Committees appointed by the Central Government, and are particularly noteworthy.

85. An appraisal of the daunting task which confronts the High Courts can be made by referring to the assessment undertaken by the LCI in its 124th Report which was released sometime after the judgment in Sampath Kumar's case. The Report was delivered in 1988, nine years ago, and some changes have occurred since, but the broad perspective which emerges is still, by and large, true:

..The High Courts enjoy civil as well as criminal, ordinary as well as extraordinary, and general as well as special jurisdiction. The source of the jurisdiction is the Constitution and the various statutes as well as letters patent and other instruments constituting the High Courts. The High Courts in the country enjoy an original jurisdiction in respect of testamentary, matrimonial and guardianship matters. Original jurisdiction is conferred on the High Courts under the Representation of the People Act, 1951, Companies Act, 1956, and several other special statutes. The High Courts, being courts of record, have the power to punish for its contempt as well as contempt of its subordinate courts. The High Courts enjoy extraordinary jurisdiction under Articles 226 and 227 of the Constitution enabling it to issue prerogative writs, such as, the one in the nature of habeas corpus, mandamus, prohibition, QUO warranto and certiorari. Over and above this, the High Courts of Bombay, Calcutta, Delhi, Himachal Pradesh, Jammu and Kashmir and Madras also exercise ordinary original civil jurisdiction. The High Courts also enjoy advisory jurisdiction, as evidenced by Section 256 of the Indian Companies Act, 1956, Section 27 of the Wealth Tax Act, 1957, Section 26 of Gift Tax Act, 1958, and Section 18 of Companies (Profits) Surtax Act, 1964. Similarly, there are parallel provisions conferring advisory jurisdiction on the High Courts, such as Section 130 of Customs Act, 1962, and Section 354 of Central Excises and Salt Act, 1944. The High Courts have also enjoyed jurisdiction under the Indian Divorce Act, 1869, and the Parsi Marriage and Divorce Act, 1936. Different types of litigation coming before the High Court in exercise of its wide jurisdiction bear different names. The vast area of jurisdiction can be appreciated by reference to those names, viz., (a) first appeals;

(b) appeals under the letters patent; (c) second appeals; (d) revision petitions; (e) criminal appeals; (f) criminal revisions; (g) civil and criminal references; (h) writ petitions; (i) writ appeals; (j) references under direct and indirect tax laws; (k) matters arising under the Sales Tax Act; (l)

election petitions under the Representation of the People Act,;

(m) petitions under the Companies Act, Banking Companies Act and other special Acts and (n) wherever the High Court has original jurisdiction, suits and other proceedings in exercise of that jurisdiction. This varied jurisdiction has to some extent been responsible for a very heavy institution of matters in the High Courts.

86. After analysing the situation existing in the High Courts at length, the LCI made specific recommendations towards the establishment of specialist Tribunals thereby lending force to the approach adopted in Sampath Kumar's case. The LCI noted the erstwhile international judicial trend which pointed towards generalist courts yielding their place to specialist Tribunals. Describing the pendency in the High Courts as "catastrophic, crisis ridden, almost unmanageable, imposing an immeasurable burden on the system", the LCI stated that the prevailing view in Indian Jurisprudence that the jurisdiction enjoyed by the High Court is a holy cow required a review. It, therefore, recommended the trimming of the jurisdiction of the High Courts by setting up specialist courts/Tribunals while simultaneously eliminating the jurisdiction of the High Courts.

87. It is important to realise that though the theory of alternative institutional mechanisms was propounded in Sampath Kumar's case in respect of the Administrative Tribunals, the concept itself—that of creating alternative modes of dispute resolution which would relieve High Courts of their burden while simultaneously providing specialised justice—is not new. In fact, the issue of having a specialised Tax Court has been discussed for several decades; though the Report of the High Court Arrears Committee (1972) dismissed it as "ill-conceived", the LCI, in its 115th Report (1986) revived the recommendation of setting up separate Central Tax Courts. Similarly, other Reports of the LCI have suggested the setting up of 'Gram Nyayalayas' (1986) LCI, 114th Report, Industrial/Labour Tribunals 1987 LCI, 122nd Report and Education Tribunals (1987) [LCI, 123rd Report].

88. In R.K. Jain's case, this Court had, in order to understand how the theory of alternative institutional mechanisms had functioned in practice, recommended that the LCI or a similar expert body should conduct a survey of the functioning of these Tribunals. It was hoped that such a study, conducted after gauging the working of the Tribunals over a sizeable period of more than five years would provide an answer to the questions posed by the critics of the theory. Unfortunately, we do not have the benefit of such a study. We may, however, advert to the Report of the Arrears Committee (1989-90), popularly known as the Malimath Committee Report, which has elaborately dealt with the aspect. The observations contained in the Report, to this extent they contain a review of the functioning of the Tribunals over a period of three years or so after their institution, will be useful for our purpose. Chapter VIII of the second volume of the Report, "Alternative Modes and Forums for Dispute Resolution", deals with the issue at length. After forwarding its specific recommendations on the feasibility of setting up 'Gram Nyayalayas', Industrial Tribunals and Educational Tribunals, the Committee has dealt with the issue of Tribunals set up under Articles 323A and 323B of the Constitution. The relevant observations in this regard, being of considerable significance to our analysis, are extracted in full as under:

Functioning of Tribunals 8.63 Several tribunals are functioning in the country. Not all of them, however, have inspired confidence in the public mind. The reasons are not far to seek. The foremost is the lack of competence, objectivity and judicial approach. The next is their constitution, the power and method of appointment of personnel thereto, the inferior status and the casual method of working. The last is their actual composition; men of calibre are not willing to be appointed as presiding officers in view of the uncertainty of tenure, unsatisfactory conditions of service, executive subordination in matters of administration and political interference in judicial functioning. For these and other reasons, the quality of justice is stated to have suffered and the cause of expedition is not found to have been served by the establishment of such tribunals.

8.64 Even the experiment of setting up of the Administrative Tribunals under the Administrative Tribunals Act, 1985, has not been widely welcomed. Its members have been selected from all kinds of services including the Indian Police Service. The decision of the State Administrative Tribunals are not appealable except under Article 136 of the Constitution. On account of the heavy cost and remoteness of the forum, there is virtual negation of the right of appeal. This has led to denial of justice in many cases and consequential dissatisfaction. There appears to be a move in some of the State where they have been established for their abolition.

Tribunals--Test for Including High Court's Jurisdiction 8.65 A Tribunal which substitutes the High Court as an alternative institutional mechanism for judicial review must be no less efficacious than the High Court. Such a tribunal must inspire confidence and public esteem that it is a highly competent and expert mechanism with judicial approach and objectivity. What is needed in a tribunal, which is intended to supplant the High Court, is legal training and experience, and judicial acumen, equipment and approach. When such a tribunal is composed of personnel drawn from the judiciary as well as from services or from amongst experts in the field, any weightage in favour of the service members or expert members and value-discounting the judicial members would render the tribunal less effective and efficacious than the High Court. The Act setting up such a tribunal would itself have to be declared as void under such circumstances. The same would not at all be conducive to judicial independence and may even tend, directly or indirectly, to influence their decision making process, especially when the Government is a litigant in most of the cases coming before such tribunal. See S.P. Sampath Kumar v. Union of India reported in : (1987)ILLJ128SC. The protagonists of specialist tribunals, who simultaneously with their establishment want exclusion of the Writ jurisdiction of the High Courts in regard to matters entrusted for adjudication to such tribunals, ought not to overlook these vital and important aspects. It must not be forgotten that what is permissible to be supplanted by another equally effective and efficacious institutional mechanism is the High Courts and not the judicial review itself. Tribunals are not an end in themselves but a means to an end; even if the laudable objectives of speedy justice, uniformity of approach, predictability of decisions and specialist justice are to be achieved, the framework of the tribunal intended to be set up to attain them must still retain its basic judicial character and inspire public confidence. Any scheme of decentralisation of administration of justice providing for an alternative institutional mechanism in substitution of the High Courts must pass the aforesaid test in order to be constitutionally valid.

8.66 The overall picture regarding the tribunalisation of justice in our country is not satisfactory and encouraging. There is a need for a fresh look and review and a serious consideration before the experiment is extended to new areas of fields, especially if the constitutional jurisdiction of the High Courts is to be simultaneously ousted. Not many tribunals satisfying the aforesaid tests can possibly be established.

(Emphasis added)

89. Having expressed itself in this manner, the Malimath Committee specifically recommended that the theory of alternative institutional mechanisms be abandoned. Instead, it recommended that institutional changes be carried out within the High Courts, dividing them into separate divisions for different branches of law, as is being done in England. It stated that appointing more Judges to man the separate divisions while using the existing infrastructure would be a better way of remedying the problem of pendency in the High Courts.

90. In the years that have passed since the Report of the Malimath Committee was delivered, the pendency in the High Courts has substantially increased and we are of the view that its recommendation is not suited to our present context. That the various Tribunals have not performed upto expectations is a self-evident and widely acknowledged truth. However, to draw an inference that their unsatisfactory performance points to their being founded on a fundamentally unsound principle would not be correct. The reasons for which the Tribunals were constituted still persist; indeed, those reasons have become even more pronounced in our times. We have already indicated that our constitutional scheme permits the setting up of such Tribunals. However, drastic measures may have to be resorted to in order to elevate their standards to ensure that they stand up to constitutional scrutiny in the discharge of the power of judicial review conferred upon them.

91. We may first address the issue of exclusion of the power of judicial review of the High Courts. We have already held that in respect of the power of judicial review, the jurisdiction of the High Courts under Article 226/227 cannot wholly be excluded. It has been contended before us that the Tribunals should not be allowed to adjudicate upon matters where the vires of legislations is questioned, and that they should restrict themselves to handling matters where constitutional issues are not raised. We cannot bring ourselves to agree to this proposition as that may result in splitting up proceedings and may cause avoidable delay. If such a view were to be adopted, it would be open for litigants to raise constitutional issues, many of which may be quite frivolous, to directly approach the High Courts and thus subvert the jurisdiction of the Tribunals. Moreover, even in these special branches of law, some areas do involve the consideration of constitutional questions on a regular basis; for instance, in service law matters, a large majority of cases involve an interpretation of Articles 14, 15 and 16 of the Constitution. To hold that the Tribunals have no power to handle matters involving constitutional issues would not serve the purpose for which they were constituted. On the other hand, to hold that all such decisions will be subject to the jurisdiction of the High Courts under Articles 226/227 of the Constitution before a Division Bench of the High Court within whose territorial jurisdiction the Tribunal concerned falls will serve two purposes. While saving the power of judicial review of legislative action vested in the High Courts under Article 226/227 of the Constitution, it will ensure that frivolous claims are filtered out through the process of adjudication

in the Tribunal. The High Court will also have the benefit of a reasoned decision on merits which will be of use to it in finally deciding the matter.

92. It has also been contended before us that even in dealing with cases which are properly before the Tribunals, the manner in which justice is dispensed by them leaves much to be desired. Moreover, the remedy provided in the parent statutes, by way of an appeal by special leave under Article 136 of the Constitution, is too costly and inaccessible for it to be real and effective. Furthermore, the result of providing such a remedy is that the docket of the Supreme Court is crowded with decisions of Tribunals that are challenged on relatively trivial grounds and it is forced to perform the role of a First Appellate Court. We have already emphasised the necessity for ensuring that the High Courts are able to exercise judicial superintendence over the decisions of Tribunals under Article 227 of the Constitution. In R.K. Jain's case, after taking note of these facts, it was suggested that the possibility of an appeal from the Tribunals on questions of law to a Division Bench of a High Court within whose territorial jurisdiction the Tribunal falls, be pursued. It appears that no follow-up action has been taken pursuant to the suggestion. Such a measure would have improved matters considerably. Having regard to both the afore-stated contentions, we hold that all decisions of Tribunals, whether created pursuant to Article 323A or Article 323B of the Constitution, will be subject to the High Court's writ jurisdiction under Articles 226/227 of the Constitution, before a Division Bench of the High Court within whose territorial jurisdiction the particular Tribunal falls.

93. We may add here that under the existing system, direct appeals have been provided from the decisions of all Tribunals to the Supreme Court under Article 136 of the Constitution. In view of our above-mentioned observations, this situation will also stand modified. In the view that we have taken, no appeal from the decision of a Tribunal will directly lie before the Supreme Court under Article 136 of the Constitution; but instead, the aggrieved party will be entitled to move the High Court under Articles 226/227 of the Constitution and from the decision of the Division Bench of the High Court the aggrieved party could move this Court under Article 136 of the Constitution.

94. Before moving on to other aspects, we may summarise our conclusions on the jurisdictional powers of these Tribunals. The Tribunals are competent to hear matters where the vires of statutory provisions are questioned. However, in discharging this duty, they cannot act as substitutes for the High Courts and the Supreme Court which have, under our constitutional setup, been specifically entrusted with such an obligation. Their function in this respect is only supplementary and all such decisions of the Tribunals will be subject to scrutiny before a Division Bench of the respective High Courts. The Tribunals will consequently also have the power to test the vires of subordinate legislations and rules. However, this power of the Tribunals will be subject to one important exception. The Tribunals shall not entertain any question regarding the vires of their parent statutes following the settled principle that a Tribunal which is a creature of an Act cannot declare that very Act to be unconstitutional. In such cases alone, the concerned High Court may be approached directly. All other decisions of these Tribunals, rendered in cases that they are specifically empowered to adjudicate upon by virtue of their parent statutes, will also be subject to scrutiny before a Division Bench of their respective High Courts. We may add that the Tribunals will, however, continue to act as the only courts of first instance in respect of the areas of law for which

they have been constituted. By this, we mean that it will not be open for litigants to directly approach the High Courts even in cases where they question the vires of statutory legislations (except, as mentioned, where the legislation which creates the particular Tribunal is challenged) by overlooking the jurisdiction of the concerned Tribunal.

95. The directions issued by us in respect of making the decisions of Tribunals amenable to scrutiny before a Division Bench of the respective High Courts will, however, come into effect prospectively i.e. will apply to decisions rendered hereafter. To maintain the sanctity of judicial proceedings, we have invoked the doctrine of prospective over-ruling so as not to disturb the procedure in relation to decisions already rendered.

96. We are also required to address the issue of the competence of those who man the Tribunals and the question of who is to exercise administrative supervision over them. It has been urged that only those who have had judicial experience should be appointed to such Tribunals. In the case of Administrative Tribunals, it has been pointed out that the administrative members who have been appointed have little or no experience in adjudicating such disputes; the Malimath Committee has noted that at times, IPS Officers have been appointed to these Tribunals. It is stated that in the short tenures that these Administrative Members are on the Tribunal, they are unable to attain enough experience in adjudication and in cases where they do acquire the ability, it is invariably on the eve of the expiry of their tenures. For these reasons, it has been urged that the appointment of Administrative Members to Administrative Tribunals be stopped. We find it difficult to accept such a contention. It must be remembered that the setting-up of these Tribunals is founded on the premise that specialist bodies comprising both trained administrators and those with judicial experience would, by virtue of their specialised knowledge, be better equipped to dispense speedy and efficient justice. It was expected that a judicious mix of judicial members and those with grass-roots experience would best serve this purpose. To hold that the Tribunal should consist only of judicial members would attack the primary basis of the theory pursuant to which they have been constituted. Since the Selection Committee is now headed by a Judge of the Supreme Court, nominated by the Chief Justice of India, we have reason to believe that the Committee would take care to ensure that administrative members are chosen from amongst those who have some background to deal with such cases.

97. It has been brought to our notice that one reason why these Tribunals have been functioning inefficiently is because there is no authority charged with supervising and fulfilling their administrative requirements. To this end, it is suggested that the Tribunals be made subject to the supervisory jurisdiction of the High Courts within whose territorial jurisdiction they fall. We are, however, of the view that this may not be the best way of solving the problem. We do not think that our constitutional scheme requires that all adjudicatory bodies which fall within the territorial jurisdiction of the High Courts should be subject to their supervisory jurisdiction. If the idea is to divest the High Courts of their onerous burdens, then adding to their supervisory functions cannot, in any manner, be of assistance to them. The situation at present is that different Tribunals constituted under different enactments are administered by different administrative departments of the Central and the State Governments. The problem is compounded by the fact that some Tribunals have been created pursuant to Central Legislations and some others have been created by State

Legislations. However, even in the case of Tribunals created by Parliamentary legislations, there is no uniformity in administration. We are of the view that, until a wholly independent agency for the administration of all such Tribunals can be set-up, it is desirable that all such Tribunals should be, as far as possible, under a single nodal Ministry which will be in a position to oversee the working of these Tribunals. For a number of reasons that Ministry should appropriately be the Ministry of Law. It would be open for the Ministry, in its turn, to appoint an independent supervisory body to oversee the working of the Tribunals. This will ensure that if the President or Chairperson of the Tribunal is for some reason unable to take sufficient interest in the working of the Tribunal, the entire system will not languish and the ultimate consumer of justice will not suffer. The creation of a single umbrella organisation will, in our view, remove many of the ills of the present system. If the need arises, there can be separate umbrella organisations at the Central and the State levels. Such a supervisory authority must try to ensure that the independence of the members of all such Tribunals is maintained. To that extent, the procedure for the selection of the members of the Tribunals, the manner in which funds are allocated for the functioning of the Tribunals and all other consequential details will have to be clearly spelt out.

98. The suggestions that we have made in respect of appointments to Tribunals and the supervision of their administrative function need to be considered in detail by those entrusted with the duty of formulating the policy in this respect. That body will also have to take into consideration the comments of experts bodies like the LCI and the Malimath Committee in this regard. We, therefore, recommend that the Union of India initiate action in this behalf and after consulting all concerned, place all these Tribunals under one single nodal department, preferably the Legal Department.

99. Since we have analysed the issue of the constitutional validity of Section 5(6) of the Act at length, we may now pronounce our opinion on this aspect. Though the vires of the provision was not in question in Dr. Mahahal Ram's case, we believe that the approach adopted in that case, the relevant portion of which has been extracted in the first part of this judgment, is correct since it harmoniously resolves the manner in which Sections 5(2) and 5(6) can operate together. We wish to make it clear that where a question involving the interpretation of a statutory provision or rule in relation to the Constitution arises for the consideration of a single Member Bench of the Administrative Tribunal, the proviso to Section 5(6) will automatically apply and the Chairman or the Member concerned shall refer the matter to a Bench consisting of at least two Members, one of whom must be a Judicial Member. This will ensure that questions involving the vires of a statutory provision or rule will never arise for adjudication before a single Member Bench or a Bench which does not consist of a Judicial Member. So construed, Section 5(6) will no longer be susceptible to charges of unconstitutionality.

100. In view of the reasoning adopted by us, we hold that Clause 2(d) of Article 323A and Clause 3(d) of Article 323B, to the extent they exclude the jurisdiction of the High Courts and the Supreme Court under Articles 226/227 and 32 of the Constitution, are unconstitutional. Section 28 of the Act and the "exclusion of jurisdiction" clauses in all other legislations enacted under the aegis of Articles 323A and 323B would, to the same extent, be unconstitutional. The jurisdiction conferred upon the High Courts under Articles 226/227 and upon the Supreme Court under Article 32 of the Constitution is part of the inviolable basic structure of our Constitution. While this jurisdiction

cannot be ousted, other courts and Tribunals may perform a supplemental role in discharging the powers conferred by Articles 226/227 and 32 of the Constitution. The Tribunals created under Article 323A and Article 323B of the Constitution are possessed of the competence to test the constitutional validity of statutory provisions and rules. All decisions of these Tribunals will, however, be subject to scrutiny before a Division Bench of the High Court within whose jurisdiction the concerned Tribunal falls. The Tribunals will, nevertheless, continue to act like Courts of first instance in respect of the areas of law for which they have been constituted. It will not, therefore, be open for litigants to directly approach the High Courts even in cases where they question the vires of statutory legislations (except where the legislation which creates the particular Tribunal is challenged) by overlocking the jurisdiction of the concerned Tribunal. Section 5(6) of the Act is valid and constitutional and is to be interpreted in the manner we have indicated.

101. All these matters may now be listed before a Division Bench to enable them to be decided upon their individual facts in the light of the observations contained in this judgment.

"REPORTABLE"

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL/APPELLATE JURISDICTION
TRANSFERRED CASE (C) NO. 150 OF 2006

Madras Bar Association ...Petitioner(s)

versus

Union of India and another ...Respondents

WITH

CIVIL APPEAL NO. 3850 OF 2006

CIVIL APPEAL NO. 3862 OF 2006

CIVIL APPEAL NO. 3881 OF 2006

CIVIL APPEAL NO. 3882 OF 2006

CIVIL APPEAL NO. 4051 OF 2006

CIVIL APPEAL NO. 4052 OF 2006

WRIT PETITION (C) NO.621 OF 2007

TRANSFERRED CASE (C) NO.116 OF 2006

TRANSFERRED CASE (C) NO.117 OF 2006

TRANSFERRED CASE (C) NO.118 OF 2006

WRIT PETITION (C) NO.697 OF 2007

J U D G M E N T

Jagdish Singh Khehar, J.

The Controversy:

1. All the above cases are being disposed of by this common judgment. The issue which arises for consideration before us, in the present bunch of cases,

pertains to the constitutional validity of the National Tax Tribunal Act, 2005 (hereinafter referred to as, the NTT Act). Simultaneously, the constitutional validity of the Constitution (Forty-second Amendment) Act, 1976 has been assailed, by asserting, that the same violates the basic structure of the Constitution of India (hereinafter referred to as, the Constitution), by impinging on the power of "judicial review" vested in the High Court. In the event of this Court not acceding to the aforementioned prayers, a challenge in the alternative, has been raised to various provisions of the NTT Act, which has led to the constitution of the National Tax Tribunal (hereinafter referred to as, the NTT). The NTT, according to the learned counsel for the petitioners, is styled as a quasi-judicial appellate tribunal. It has been vested with the power of adjudicating appeals arising from orders passed by Appellate Tribunals (constituted under the Income Tax Act, the Customs Act, 1962, and the Central Excise Act, 1944). Hitherto before, the instant jurisdiction was vested with High Courts. The pointed issue canvassed in this behalf is, that High Courts which discharge judicial functions, cannot be substituted by an extra-judicial body. Additionally, it is maintained that the NTT in the manner of its constitution undermines a process of independence and fairness, which are *sine qua non* of an adjudicatory authority.

The Historical Perspective:

The Income Tax Legislation, in India:

2(i). Law relating to income tax dates back to 1860, when legislation pertaining to levy of tax on income, was introduced in India for the first time. The original

enactment was replaced by subsequent legislations, enacted in 1865, 1886, 1918 and 1922. The Indian Income Tax Act, 1922 (hereinafter referred to as, the 1922 Act) was brought about, as a result of the recommendations of the All India Tax Committee. The 1922 Act can be described as a milestone in the evolution of direct tax laws in India. Detailed reference needs to be made to the provisions of the 1922 Act.

(ii) After the procedure provided for assessment of tax had run its course, and tax had been assessed, an executive-appellate remedy was provided for, before the Appellate Assistant Commissioner of Income Tax (under Section 30 of the 1922 Act). A further quasi-judicial appellate remedy, from decisions rendered by the first appellate authority, lay before an appellate tribunal (hereinafter referred to as the Appellate Tribunal). Section 33A was inserted by the Indian Income Tax (Amendment) Act, 1941. It provided for a remedy by way of revision before a Commissioner of Income Tax.

(iii) The remedy before the Appellate Tribunal (provided under Section 5A of the 1922 Act, by Section 85 of the Indian Income Tax (Amendment) Act, 1939), was required to be exercised by a bench comprising of one Judicial Member and one Accountant Member. It was permissible for the President of the Appellate Tribunal or any other Member thereof, to dispose of appeals, sitting singly (subject to the condition, that the total income of the assessee, as computed by the assessing officer, did not exceed Rs.15,000/-). It was also open to the President of the Appellate Tribunal to constitute larger benches of three

Members (subject to the condition, that the larger bench would comprise of at least one Judicial Member and one Accountant Member).

(iv) Section 5A of the 1922 Act, laid down the conditions of eligibility for appointment as a Judicial Member - a person who had served on a civil judicial post for 10 years was eligible, additionally an Advocate who had been practicing before a High Court for a period of 10 years, was also eligible. Under the 1922 Act, a person who had practiced in accountancy as a Chartered Accountant (under the Chartered Accountants Act, 1949) for a period of 10 years, or was a Registered Accountant (or partly a Registered Accountant, and partly a Chartered Accountant) for a period of 10 years (under any law formerly enforced), was eligible for appointment as an Accountant Member. Only a Judicial Member could be appointed as the President of the Appellate Tribunal.

(v) Section 67 of the 1922 Act, barred suits in civil courts pertaining to income tax related issues. Additionally, any prosecution suit or other proceedings could not be filed, against an officer of the Government, for an act or omission, in furtherance of anything done in good faith or intended to be done under the 1922 Act.

(vi) The 1922 Act, did not provide for an appellate remedy, before the jurisdictional High Court. The only involvement of the jurisdictional High Court, was under Section 66 of the 1922 Act. Under Section 66, either the assessee or the Commissioner of Income Tax, could move an application to the Appellate Tribunal, requiring it to refer a question of law (arising out of an assessment order) to the jurisdictional High Court. In case of refusal to make such a

reference, the aggrieved assessee or the Commissioner of Income Tax, could assail the refusal by the Appellate Tribunal, before the jurisdictional High Court. A case referred to the High Court under Section 66, was to be heard by a bench of not less than two judges of the High Court (Section 66A of the 1922 Act – inserted by the Indian Income Tax (Amendment) Act, 1926). Section 66 of the 1922 Act, was amended by the Indian Income Tax (Amendment) Act, 1939, whereby the power to make a reference became determinable by the Commissioner of Income Tax (in place of the Appellate Tribunal).

(vii) In exercise of the reference jurisdiction, a question of law, which had arisen in an appeal pending before the Appellate Tribunal, had to be determined by the High Court. After the jurisdictional High Court had answered the reference, the Appellate Tribunal would dispose of the pending appeal in consonance with the legal position declared by the High Court.

3(i) The 1922 Act was repealed by the Income Tax Act, 1961 (hereinafter referred to as, the Income Tax Act). As in the repealed enactment, so also under the Income Tax Act, an order passed by an assessing officer, was assailable through an executive-appellate remedy. The instant appellate remedy, was vested with the Deputy Commissioner (Appeals)/Commissioner (Appeals). The orders appealable before the Deputy Commissioner (Appeals) were distinctly mentioned (in Section 246 of the Income Tax Act). Likewise, the orders appealable before the Commissioner (Appeals) were expressly enumerated (in Section 246A of the Income Tax Act).

(ii) As against the order passed by the executive-appellate authority, a further appellate remedy was provided before a quasi-judicial appellate tribunal (hereinafter referred to as, the Appellate Tribunal, under Section 252 of the Income Tax Act). Section 255(6) of the Income Tax Act provides as under:-

"6. The Appellate Tribunal shall, for the purpose of discharging its functions, have all the powers which are vested in the income-tax authorities referred to in section 131, and any proceeding before the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purpose of section 196 of the Indian Penal Code (45 of 1860), and the Appellate Tribunal shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (5 of 1898)."

By a deeming fiction of law, therefore, the Appellate Tribunal was considered as a civil court, dealing with "judicial proceedings".

(iii) To be eligible for appointment as the President of the ITAT, the incumbent had to be a sitting or retired judge of a High Court, with not less than 7 years of service as a judge. Alternatively, the Central Government could appoint a Senior Vice President or a Vice President of the Appellate Tribunal, as its President. It is, therefore apparent, that the Appellate Tribunal was to be comprised of a President, Senior Vice President(s), Vice President(s) and Members.

(iv) The benches of the Appellate Tribunal, under the Income Tax Act (was similar to the one under the 1922 Act), were to be comprised of at least one Judicial Member and one Accountant Member. The authority to constitute benches of the Appellate Tribunal was vested with the President. The composition of the benches under the Income Tax Act, was similar to that postulated under the 1922 Act. When authorized by the Central Government, it

was open to the Appellate Tribunal, to dispose of appeals sitting singly (subject to the condition, that the appeal pertained to a dispute, wherein the concerned assessee's total income was assessed as not exceeding Rs.5 lakhs). The President of the Appellate Tribunal, had the authority to constitute special benches, comprising of three or more Members (one of whom had to be a Judicial Member, and one, an Accountant Member). In case of difference of opinion, the matter was deemed to have been decided in terms of the opinion expressed by the majority.

(v) An assessee or the Commissioner, could move an application before the Appellate Tribunal, under Section 256 of the Income Tax Act, requiring it to make a reference to the High Court on a question of law (arising in an appeal pending before the Appellate Tribunal). In case the prayer made in the application was declined by the Appellate Tribunal, the order (declining the prayer) was assailable before the High Court.

(vi) Section 257 of the Income Tax Act provided for a reference directly to the Supreme Court. The instant reference could be made by the Appellate Tribunal, if it was of the opinion, that the question of law which had arisen before it, had been interpreted differently, by two or more jurisdictional High Courts.

(vii) Section 260A was inserted in the Income Tax Act by the Finance (No. 2) Act, 1998, with effect from 1.10.1998. Under Section 260A, an appellate remedy was provided for, to raise a challenge to orders passed by the Appellate Tribunal. The instant appellate remedy, would lie before the jurisdictional High Court. In terms of the mandate contained in Section 260B of the Income Tax Act, an

appeal before the High Court was to be heard by a bench of not less than two judges. The opinion of the majority, would constitute the decision of the High Court. Where there was no majority, on the point(s) of difference, the opinion of one or more judges of the High Court, was to be sought. Thereupon, the majority opinion of the judges (including the judges who had originally heard the case) would constitute the decision of the High Court.

(viii) A further appellate remedy was available as against a decision rendered by the jurisdictional High Court. The instant appellate remedy was vested with the Supreme Court under Section 261 of the Income Tax Act.

The Customs Legislation, in India:

4(i). The Customs Act, 1962 (hereinafter referred to as, the Customs Act) was enacted to consolidate and amend the law relating to customs. The Customs Act vested the power of assessment of customs duty, with the Deputy Collector of Customs or the Collector of Customs. An executive-appellate remedy was provided under Section 128 of the Customs Act, before a Collector of Customs (where the impugned order had been passed by an officer, lower in rank to the Collector of Customs), and before the Central Board of Excise and Customs (constituted under the Central Boards of Revenue Act, 1963), where the impugned order had been passed by a Collector of Customs. The Board had also been conferred with executive revisional powers (under Section 130 of the Customs Act), to *suo moto*, or on an application of an aggrieved person, examine the record of any proceeding, pertaining to a decision or order under the provisions of the Customs Act. Revisional powers, besides those expressly

vested in the Board (under Section 130 of the Customs Act), were also vested with the Central Government (under Section 131 of the Customs Act).

(ii) By the Finance (No. 2) Act, 1980, Sections 128 to 131 of the original Act were substituted. The power to entertain the first executive-appellate remedy, was now vested with the Collector (Appeals), under Sections 128 and 128A of the Customs Act. On exhaustion of the above remedy, a further quasi-judicial appellate remedy was provided for, under Sections 129 and 129A before the Customs, Excise and Gold (Control) Appellate Tribunal (hereinafter referred to as, the CEGAT/Appellate Tribunal). CEGAT was also the appellate authority, against orders passed by the Board. With introduction of Service Tax, under Chapter V of the Finance Act, 1994, CEGAT was conferred the jurisdiction to hear appeals in cases pertaining to service tax disputes as well. The Appellate Tribunal is now known as the Customs, Excise and Service Tax Appellate Tribunal – the CESTAT. By Act 22 of 2003, the expression "Gold (Control)" was substituted with "Service Tax" in the definition of the "Appellate Tribunal" (w.e.f. 14.5.2003).

(iii) Section 129 of the Customs Act delineated the constitution of the CEGAT. It was to comprise of as many Judicial and Technical Members, as the Central Government thought fit. The instant provision, also laid down the conditions of eligibility for appointment of Judicial/Technical Members. A Judicial Member could be chosen out of persons, who had held a civil judicial post for at least 10 years, or out of persons who had been in practice as an Advocate for at least 10 years, as also, from out of Members of the Central Legal Service (not below

Grade-I), who had held such post for at least 3 years. A Technical Member could be appointed out of persons, who had been members of the Indian Customs and Central Excise Service (Group A), subject to the condition, that such persons had held the post of Collector of Customs or Central Excise (Level I), or equivalent or higher post, for at least 3 years. The Finance (No.2) Act, 1996 amended Section 129(3) of the Customs Act, whereby it enabled the Central Government to appoint a person to be the President of the Appellate Tribunal. The Central Government could make such appointment, subject to the condition, that the person concerned had been a judge of the High Court, or was one of the Members of the Appellate Tribunal. Likewise, it was open to the Central Government to appoint one or more Members of the Appellate Tribunal to be its Vice President(s).

(iv) Powers and functions of the Appellate Tribunal were to be exercised through benches constituted by its President, from amongst Members of the Appellate Tribunal (in terms of Section 129C of the Customs Act). Each bench was required to be comprised of at least one Judicial Member and one Technical Member. It was open to the President to constitute a special bench of not less than three Members (comprising of at least one Judicial and one Technical Member). The composition of the bench, was modified by an amendment which provided, that a special bench of the Appellate Tribunal was to consist of not less than two Members (instead of three). It was also open to the President and/or Members (as authorized by the President of the Appellate Tribunal) to dispose of appeals, sitting singly, subject to the condition, that the value of goods

confiscated, or the difference in duty involved, or duty involved, or the amount of fine or penalty involved, did not exceed Rs.10,000/- – the limit was first revised to Rs.50,000/-, then to Rs.1 lakh, later to Rs.10 lakhs, and at present, the same is Rs.50 lakhs. A case involving a dispute where the determination of any question having a relation to the rate of duty of customs or to the value of goods for purposes of assessment is the sole or one of the points in issue, must however be heard by a bench comprising of a Judicial and a Technical Member [Section 129C(4)(b)]. In case of difference of opinion on any point(s), the opinion of the majority was to constitute the decision of the Appellate Tribunal. If Members were equally divided, the appeal was to be referred by the President, for hearing on such point(s), by one or more other Members of the Appellate Tribunal. Whereupon, the majority opinion was to be considered as the decision of the Appellate Tribunal. Sub-sections (7) and (8) of Section 129C provided as under:-

“(7) The Appellate Tribunal shall, for the purposes of discharging its functions, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit in respect of the following matters, namely:-

- (a) discovery and inspection;
- (b) enforcing the attendance of any person and examining him on oath;
- (c) compelling the production of books of account and other documents; and
- (d) issuing commissions.

(8) Any proceeding before the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of Sections 193 and 228 and for the purpose of Section 196 of the Indian Penal Code 945 of 1860) and the Appellate Tribunal shall be deemed to be a Civil Court for all the purposes of Section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).”

It is apparent from the above provision, that by a fiction of law, proceedings before the Appellate Tribunal are treated as judicial proceedings.

(v) The Customs and Excise Revenues Appellate Tribunal Act, 1986 came into force with effect from 23.12.1986. Section 26 of the instant enactment, excluded the jurisdiction of courts except the Supreme Court. Section 28 thereof provided as under:-

"28. Proceedings before the Appellate Tribunal to be judicial proceedings - All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of Sections 193, 219 and 228 of the Indian Penal Code (45 of 1860)."

A perusal of the above amendment reveals, that by a fiction of law, the Appellate Tribunal was deemed to be discharging "judicial proceedings". Therefore, the position prevailing prior to the amendment, was maintained, so far as the instant aspect was concerned.

(vi) Just as in the case of the 1922 Act, which did not provide for an appellate remedy, but allowed a reference to be made to a jurisdictional High Court, under Section 66, likewise, Section 130 of the Customs Act provided for a reference on a question of law, to the High Court. A reference could be made, on an application by the Collector of Customs or the person on whom customs duty has been levied, to the Appellate Tribunal. If the Appellate Tribunal refused to make a reference, the aggrieved party could assail the determination of the Appellate Tribunal, before the jurisdictional High Court. Where a reference on a question of law was entertained, it had to be heard by a bench of not less than two judges of the High Court. In case of difference of opinion on any point(s), the opinion

expressed by the majority, was to be treated as the decision of the High Court. Where the opinion was equally divided, on the point(s) of difference, the matter was to be heard by one or more other judges of the High Court. Thereupon, the majority opinion of the judges (including the judges who had originally heard the case) would constitute the decision of the High Court. A decision of the High Court, would then be applied by the Appellate Tribunal, for the disposal of the appeal wherefrom the reference had arisen.

(vii) The Appellate Tribunal was also authorized to make a reference directly to the Supreme Court (under Section 130A of the Customs Act). This could be done, in case the Appellate Tribunal was of the view, that there was a conflict of decisions of High Courts in respect of a question of law pending before it for decision. The decision of the Supreme Court, would then be applied by the Appellate Tribunal, for the disposal of the appeal out of which the reference had arisen.

(viii) The Finance (No. 32) Act, 2003 introduced a new Section 130. The remedy of a reference to the jurisdictional High Court, was substituted by a remedy of an appeal to the High Court. The amended Section 130 of the Customs Act provided, that an appeal would lie to the High Court from every order passed by the Appellate Tribunal (on or after 1.7.2003), subject to the condition, that the High Court was satisfied, that the case involved a substantial question of law. In such an eventuality, the High Court would formulate the substantial question(s) of law. It was open to the High Court in exercise of its instant appellate jurisdiction, also to determine any issue which had not been

decided by the Appellate Tribunal, or had been wrongly decided by the Appellate Tribunal. The appeal preferred before the High Court, could be heard by a bench of not less than two judges.

(ix) After amendment to Section 130, Section 130E was also amended. The latter amended provision, provided for an appeal to the Supreme Court, from a judgment of the High Court, delivered on an appeal filed under Section 130, or on a reference made under Section 130 by the Appellate Tribunal (before 1.7.2003), or on a reference made under Section 130A.

(x) The NTT Act omitted Sections 130, 130A, 130B, 130C and 130D of the Customs Act. The instant enactment provided for an appeal from every order passed by the Appellate Tribunal to the NTT, subject to the condition, that the NTT arrived at the satisfaction, that the case involved a substantial question of law. On admission of an appeal, the NTT would formulate the substantial question of law for hearing the appeal. Section 23 of the NTT Act provided, that on and from the date, to be notified by the Central Government, all matters and proceedings including appeals and references, pertaining to direct/indirect taxes, pending before the High Court, would stand transferred to the NTT. Section 24 of the NTT Act provides for an appeal from an order passed by the NTT, directly to the Supreme Court.

The Central Excise Legislation in India:

5(i). The Central Excise and Salt Act, 1944 (hereinafter referred to as, the Excise Act) was enacted to consolidate and amend, the law related to central duties on excise, and goods manufactured and produced in India, and to salt.

Under the said enactment, the power to assess the duty, was vested with the Assistant Collectors of Central Excise, and Collectors of Central Excise. An executive-appellate remedy was provided for under Section 35 before the Commissioner (Appeals).

(ii) The Board was vested with revisional jurisdiction. Revisional jurisdiction was additionally vested with the Central Government. In 1972, the Board was empowered under Section 35A of the Excise Act, to exercise the power of revision, from a decision/order/rule made/passed, under the Excise Act, subject to the condition, that no revision would lie under the instant provision, as against an appellate order passed under Section 35 of the Excise Act, by the Commissioner (Appeals). The Central Government was vested with revisional jurisdiction against appellate orders passed by the Commissioner (Appeals) under Section 35. In 1978, the revisional jurisdiction which hitherto before lay with the Board, was vested with the Collector of Central Excise.

(iii) On the exhaustion of the first executive-appellate remedy, a further quasi-judicial appellate remedy was provided for, under Section 35B of the Excise Act, to an Appellate Tribunal. The remedy of appeal before the Appellate Tribunal, could be availed of (a) against a decision or order passed by the Collector of Central Excise as an adjudicating authority, (b) against an order passed by the Collector (Appeals) under Section 35A of the Excise Act (as substituted by the Finance (No. 2) Act, 1980), (c) against an order passed by the Board or the Appellate Collector of Central Excise under Section 35 (as it stood before

21.8.1980), and (d) against an order passed by the Board or the Collector of Central Excise under Section 35A (as it stood before 21.8.1980).

(iv) The Appellate Tribunal was to be comprised of such number of Judicial/Technical Members as the Central Government would think fit. Appointment of Judicial Members could only be made from amongst persons who had held a judicial office in India for at least 10 years, or who had been practicing as an Advocate for at least 10 years, or who had been a member of the Indian Legal Service (having held a post in Grade I of the said service, or any equivalent or higher post) for at least 3 years. Only such persons could be appointed as Technical Members who had been, members of the Indian Customs and Central Excise Service, Group A, and had held the post of Collector of Customs or Central Excise (or any equivalent or higher post) for at least 3 years. The Central Government had the power to appoint a person, who was or had been a judge of a High Court, or who was one of the Members of the Appellate Tribunal, as the President of the Appellate Tribunal. The functions of the Appellate Tribunal were to be discharged through benches constituted by its President. The Central Government also had the authority to appoint one or more Members of the Appellate Tribunal as Vice-President(s). Each bench was to consist of at least one Judicial Member and one Technical Member. In case of difference of opinion on any point(s), the opinion of the majority would constitute the decision of the Appellate Tribunal. If the Members of the bench were equally divided, the President was required to refer the disputed opinion for hearing, on the point(s) of difference, by one or more other Members of the Appellate

Tribunal. The majority opinion after such reference, would be the decision of the Appellate Tribunal. It was also permissible for the President, and the Members (authorized by the President) of the Appellate Tribunal, to hear and dispose of appeals, sitting singly (subject to the condition, that the difference in duty or the duty involved, or the amount of fine or penalty involved, did not exceed Rs.10,000/- -- the limit was first revised to Rs.50,000/-, then to Rs.1 lakh, later to Rs.10 lakhs, and at present, the same is Rs.50 lakhs). Similar provision (as in respect of appeals to the Appellate Tribunal under Customs Act) with regard to matters to be heard by a division bench, is enjoined in Section 35D(3)(a) of the Excise Act.

(v) The Customs and Excise Revenues Appellate Tribunals Act, 1986, came into force on 23.12.1986. Section 26 of the instant enactment excluded the jurisdiction of courts except the Supreme Court. Section 14, provided for jurisdiction, powers and authority of the Appellate Tribunal. Section 28 provided as under:-

"28. Proceedings before the Appellate Tribunal to be judicial proceedings – All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of Sections 193, 219 and 228 of the Indian Penal Code (45 of 1860)."

A perusal of the above amendment reveals, that by a fiction of law, the Appellate Tribunal was deemed to be discharging "judicial proceedings".

(vi) Section 35G provided for a reference on any question of law, by the Appellate Tribunal, to the High Court. The aforesaid remedy could be availed of by filing an application before the Appellate Tribunal. Such an application could be filed by either the Collector of Central Excise, or the person on whom the

excise duty was levied. A reference, on a question of law, made by the Appellate Tribunal, to the High Court, would be heard by a bench of not less than two judges. On the Appellate Tribunal's refusal to refer a question of law, the aggrieved party could assail the decision of the Appellate Tribunal (declining to make a reference), before the High Court. The jurisdictional High Court, on the acceptance of a reference, would render its decision, on the question of law. In case of difference of opinion, the opinion expressed by the majority would constitute the decision of the High Court. If the opinion by the bench was equally divided, the point(s) of difference were to be heard by one or more other judges of the High Court, whereafter, the opinion expressed by the majority would be treated as the decision of the High Court. The Appellate Tribunal would thereupon, decide the pending appeal, in consonance with the decision rendered by the High Court.

(vii) Section 35H of the Excise Act provided for a reference, by the Appellate Tribunal, directly to the Supreme Court. The instant reference by the Appellate Tribunal, could be made after the Appellate Tribunal had arrived at the conclusion, that the question of law arising for adjudication in an appeal pending before it, was differently interpreted by two or more jurisdictional High Courts. The decision of the Supreme Court, would then be applied by the Appellate Tribunal, to decide the pending appeal. Section 35L provided for appeal to the Supreme Court against the judgment rendered by the High Court (upon a reference made to the High Court by the Appellate Tribunal). The decision of the

Supreme Court would then be applied by the Appellate Tribunal, in the disposal of the appeal pending before it.

(viii) The Finance (No. 32) Act, 2003 substituted Section 35G of the Excise Act and in place of the remedy of reference, the amended provision provided for a direct appeal to the jurisdictional High Court (after the cut-off date, i.e., 1.7.2003). The jurisdictional High Court was to entertain an appeal from an order passed by the Appellate Tribunal, on its being satisfied, that the appeal raised a substantial question of law. In such an eventuality, the High Court would formulate the substantial question(s) of law. It was open to the High Court in exercise of its instant appellate jurisdiction, also to determine any issue which had not been decided by the Appellate Tribunal, or had wrongly been decided by the Appellate Tribunal. The appeal preferred before the High Court, would be heard by a bench of not less than two judges. Section 35L of the Excise Act was also amended. The amended provision provided for an appeal from any judgment of the High Court (in exercise of its appellate jurisdiction under Section 35G of the Excise Act, or on a reference made under Section 35G by the Appellate Tribunal before 1.7.2003, or on a reference made under Section 35H), to the Supreme Court.

(ix) The NTT Act omitted Sections 35G, 35H, 35I and 35J of the Excise Act. The instant enactment provided for an appeal from every order passed by the Appellate Tribunal to the NTT, subject to the condition, that the NTT was satisfied, that the case involved a substantial question of law. On admission of an appeal, the NTT would formulate the substantial question of law, for hearing

the appeal. Section 23 of the NTT Act provided, that on and from the date to be notified by the Central Government, all matters and proceedings including appeals and references, pertaining to direct/indirect taxes, pending before the jurisdictional High Courts, would stand transferred to the NTT. Section 24 of the NTT Act provided for an appeal from an order passed by the NTT, to the Supreme Court.

Facts leading to the promulgation of the NTT Act:

6. The first Law Commission of independent India was established in 1955 for a three year term under the chairmanship of Mr. M.C. Setalvad, who was also the first Attorney General for India. The idea of constituting a "National Tax Court" was mooted by the first Law Commission in its 12th Report, suggesting the abolition of the existing appellate tribunal, under the framework of the Income Tax Act. It recommended a direct appeal to the High Courts, from orders passed by appellate Commissioners. This recommendation was not accepted.

7. A Direct Taxes Enquiry Committee was set up by the Government of India in 1970, with Mr. K.N. Wanchoo a retired Chief Justice of the Supreme Court of India, as its Chairman. The Enquiry Committee was assigned the following objectives: (1) to recommend ways to check avoidance of tax, through various legal lacunae; (2) to examine the exemptions allowed by tax laws, and evaluate scope of their reduction; and (3) to suggest methods for better tax assessment, and improvements in tax administration. The Wanchoo Committee recommended creation of a "National Court", which would be comprised of

judges with special knowledge of tax laws. The recommendation made by the Wanchoo Committee, was for creation of permanent "Tax Benches" in High Courts, and appointment of retired judges to such benches, under Article 224A of the Constitution. The suggestion was aimed at clearing the backlog of tax cases. The Wanchoo Committee did not suggest the establishment of any separate tax courts as that, according to the Committee, would involve an amendment to the provisions of the Constitution, besides other statutory and procedural changes.

8. Another Direct Tax Laws Committee was constituted in 1977, under the chairmanship of Mr. N.K. Palkhivala, an eminent jurist. The Committee was later headed by Mr. G.C. Choksi. The Committee was constituted, to examine and suggest legal and administrative measures, for simplification and rationalization of direct tax laws. The Choksi Committee recommended the establishment of a "Central Tax Court" with an all-India jurisdiction. It was suggested, that such a court be constituted under a separate statute. Just like the recommendations of the Wanchoo Committee, the recommendations of the Choksi Committee also necessitated amendments in the provisions of the Constitution. As an interim measure to the above recommendation, the Choksi Committee suggested, the desirability of constituting "Special Tax Benches" in High Courts, to deal with the large number of pending tax cases, by continuous sitting throughout the year. It was also suggested, that judges who sit on the "Special Tax Benches", should be selected from those who had special knowledge, to deal with matters relating to direct tax laws. The Choksi Committee recommended, that the judges selected for the "Special Tax Benches" would be transferred to the "Central Tax Court", as

and when the same was constituted. It is, therefore apparent, that according to the recommendations of the Choksi Committee, the "Central Tax Court" was to comprise of judges of High Courts, or persons qualified to be appointed as High Court Judges. The recommendations of the Choksi Committee reveal, that the suggested "Central Tax Court" would be a special kind of High Court, to deal with issues pertaining to direct tax laws. This was sought to be clarified in paragraph 6.22 of the Choksi Committee's Report.

9. None of the recommendations referred to hereinabove were implemented, till a similar recommendation was again mooted in the early 1990s. After deliberating on the issue for a few years, the Union of India promulgated the National Tax Tribunal Ordinance, 2003. The Ordinance inter alia provided, for the transfer of appellate jurisdiction (under direct tax laws) vested in High Courts, to the NTT. After the Ordinance lapsed, the National Tax Tribunal Bill, 2004 was introduced. The said Bill was referred to a Select Committee of the Parliament. The Select Committee granted a personal hearing to a variety of stakeholders, including the representatives of the Madras Bar Association (i.e., the petitioner before this Court in Transferred Case (C) no. 150 of 2006). The Committee presented its report on 2.8.2005. In its report, it suggested serious reservations on the setting up of the NTT. The above Bill was presented before the Lok Sabha in 2005. The Bill expressed four main reasons for setting up the NTT: (1) to reduce pendency of huge arrears, that had mounted in High Courts all over the country, (2) huge tax recovery was stately held up, in tax litigation before various High Courts, which directly impacted implementation of national

projects/welfare schemes of the Government of India, (3) to have a uniformity in the interpretation of tax laws. In this behalf it was suggested, that different opinions were expressed by different High Courts on identical tax issues, resulting in the litigation process being tied up in higher Courts, and (4) the existing judges dealing with tax cases, were from civil courts, and therefore, were not well-versed to decide complicated tax issues.

The issues canvassed on behalf of the petitioners:

10. The submissions advanced on behalf of the petitioners, for purposes of convenience, deserve to be examined from a series of distinct and separate perspectives. Each perspective is truly an independent submission. It is, therefore necessary, in the first instance, to clearly describe the different submissions, advanced at the hands of the learned counsel for the petitioners.

The same are accordingly being delineated hereunder:-

The first contention: That the reasons for setting up the NTT, were fallacious and non-existent. Since the foundational basis is untrue, the structure erected thereupon, cannot be accepted as valid and justified. And therefore, the same is liable to be struck down.

The second contention: It is impermissible for the legislature to abrogate/divest the core judicial appellate functions, specially the functions traditionally vested with the High Court. Furthermore, the transfer of such functions to a quasi-judicial authority, devoid of essential ingredients of the superior court, sought to be replaced was constitutionally impermissible, and was liable to be set aside.

Besides the appellate jurisdiction, the power of judicial review vested in High

Courts under Articles 226 and 227 of the Constitution, has also been negated by the NTT Act. And therefore, the same be set aside.

The third contention: Separation of powers, the rule of law, and judicial review, constitute amongst others, the basic structure of the Constitution. Article 323B inserted by the Constitution (Forty-second Amendment) Act, 1976, to the extent it is violative of the above mentioned components of the basic structure of the Constitution, is liable to be declared *ultra vires* the Constitution.

The fourth contention: A number of provisions including Sections 5, 6, 7, 8 and 13 of the NTT Act, undermine the independence of the adjudicatory process vested in the NTT, and as such, are liable to be set aside in their present format.

11. We shall now narrate each of the above contentions advanced by the learned counsel for the petitioners, in the manner submissions were advanced before us.

The first contention:

12. As regards arrears of tax related cases before High Courts is concerned, it was submitted, that the figures indicated by the Department were incorrect. In this behalf it was asserted, that the stance adopted at the behest of the Revenue, that there were about 80,000 cases pending in different courts, was untrue. It was the emphatic contention of the learned counsel for the petitioners, that as of October, 2003 (when the National Tax Tribunal Ordinance, was promulgated), the arrears were approximately 29,000. Of the total pendency, a substantial number was only before a few High Courts, including the High Court of Bombay and the High Court of Delhi. In the petition filed by the Madras Bar Association, it

was asserted, that in the Madras High Court, the pending appeals under Section 260A of the Income Tax Act, were less than 2,000. It was also sought to be asserted, that the pendency of similar appeals in most southern States was even lesser. It was pointed out, that the pendency of such appeals in the High Court of Karnataka and the High Court of Kerala, was even lesser than 2,000.

13. In respect of the Revenue's assertion, that huge tax recovery was held up, in tax litigation, before High Courts, it was submitted, that the figures projected at the behest of the Department were incorrect. It was pointed out, that according to the Revenue, the pending cases in the High Courts involved an amount of approximately Rs.80,000 crores (relatable to direct tax cases). It was submitted, that the figures projected by the Department, included not only the basic tax, but interest and penalty imposed thereon, as well. It was pointed out, that interest could be as high as 40% per annum, under tax statutes, besides penal interest. It was accordingly sought to be canvassed, that if the main appeals were set aside by the High Court, there would hardly be any dues payable to the Government at all. Additionally, it was sought to be asserted, that many tax appeals pending before the High Courts, were filed by assesseees, and accordingly, in the event of the assesseees succeeding, the amount could not be considered as having been held up, but may have to be refunded. It was further asserted, that in most cases, the Revenue was able to recover a substantial amount from the assesseees, by the time the matter reached the High Court (on account of pre-deposits). It was, therefore sought to be submitted, that the

figures indicated by the Revenue, with reference to the amount of tax held up in pending cases, before High Courts was wholly flawed and deceptive.

14. It was also the contention of the learned counsel for the petitioners, that the mere establishment and creation of the NTT, would not result in uniformity of decisions pertaining to tax laws. In this behalf it was sought to be asserted, that just as in the manner two High Courts could differ with one another, so also, could two tax benches, of the NTT. On the factual front, it was pointed out, that divergence of opinion in High Courts was very rare. It was, as a matter of approximation, suggested, that in most cases (approximately 99%), one High Court would follow the view taken by another High Court. Learned counsel, however pointed out, that in High Courts an age-old mechanism, to resolve conflicts of views, by either placing such matters before larger benches, or before a higher court, was in place. Pointing out illustratively to the ITAT and the CESTAT, it was asserted, that there had been many cases of divergence of opinion, which were resolved by larger benches. It was, therefore sought to be canvassed, that the instant basis for constituting the NTT, was also not based on a prudent or sensible rationale.

15. On the subject of High Court Judges being not well-versed to determine complicated interpretation of tax-law related issues, it was submitted, that the very mention of the above as a basis, for creating the NTT, was extremely unfortunate. It was submitted, that well before the independence of this country, and even thereafter, High Courts have been interpreting and construing tax related disputes, in a legitimate, tenable and lawful manner. The fairness and

rationale of tax related issues, according to learned counsel, was apparent from the faith reposed in High Courts both by the Revenue, as well as, by the assessees. Furthermore, the veracity and truthfulness, of the instant assertion, according to the learned counsel, could be gauged from the fact, that interference by the Supreme Court, in the orders passed by the High Courts on tax matters, has been minimal.

16. During the course of hearing, our attention was also invited to the fact, that the legislations of the instant nature would have a lopsided effect. In this behalf it was sought to be pointed out, that while jurisdiction vested in High Courts was being excluded, the burden was being transferred to the Supreme Court of India. This assertion was sought to be substantiated by the learned counsel for the petitioners, by inviting our attention to the legislations, wherein the power of judicial review traditionally vested in the High Courts, has been excluded, and a remedy of appeal has been provided from the tribunals constituted directly to the Supreme Court. In this behalf, reference may illustratively be made to the following provisions:-

(i) The Electricity Act, 2003

125. Appeal to Supreme Court - Any person aggrieved by any decision or order of the Appellate Tribunal, may, file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him, on any one or more of the grounds specified in Section 100 of the Code of Civil Procedure, 1908 (5 of 1908):

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

(ii) The National Green Tribunal Act, 2010

Section 22. Appeal to Supreme Court – Any person aggrieved by any award, decision or order of the tribunal, may, file an appeal to the Supreme Court, within ninety days from the date of communication of the award, decision or order of Tribunal, to him, on any one or more of the grounds specified in Section 100 of the Code of Civil Procedure, 1908 (5 of 1908)

Provided that the Supreme Court may, entertain any appeal after the expiry of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal.

(iii) The Telecom Regulatory Authority of India Act, 1997

Section 18. Appeal to Supreme Court – (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or in any other law, an appeal shall lie against any order, not being an interlocutory order, of the Appellate Tribunal to the Supreme Court on one or more of the grounds specified in section 100 of that code.

(2) No appeal shall lie against any decision or order made by the Appellate Tribunal with the consent of the parties.

(3) Every appeal under this section shall be preferred within a period of ninety days from the date of the decision or order appealed against:

Provided that the Supreme Court may entertain the appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

(iv) The Securities and Exchange Board of India Act, 1992

Section 15Z. Appeal to Supreme Court. – Any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Securities Appellate Tribunal to him on any question of law arising out to such order:

Provided that the Supreme Court may, if it is satisfied that the applicant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

(v) Companies Act, 1956

Section 10GF. Appeal to Supreme Court. – Any person aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him on any question of law arising out of such decision or order:

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

17. It was also pointed out, that the enactment of the NTT Act *per se* lacks bonafides. In this behalf the contention of the learned counsel for the petitioner was, that there is a Parliamentary convention that if a Select Committee rejects a Bill, it is normally not passed by the Parliament. At the very least, the reservations expressed by the Select Committee are taken into account, and the Bill in question is appropriately modified. It was submitted, that the bill under reference was presented before the Lok Sabha on 29.11.2005, and the same was passed without making a single amendment.

18. It was, therefore, the vehement contention of the learned counsel for the petitioners, that the foundational facts being incorrect, and the manner in which the bill was passed, being devoid of bonafides, the legislation itself i.e., the NTT Act, deserved to be set aside.

The second contention:

19. It was the emphatic contention of the learned counsel for the petitioners, that it was impermissible for the legislature to abrogate/divest the core judicial appellate functions traditionally vested with the High Court, and to confer/vest the same, with an independent quasi-judicial authority, which did not even have the basic ingredients of a superior Court, like the High Court (whose jurisdiction is sought to be transferred). In conjunction with the instant contention, it was also the submission of the learned counsel, that the jurisdiction vested in the High Courts under Articles 226 and 227 of the Constitution, is not only in respect of the rightful implementation of statutory provisions, but also of supervisory jurisdiction, over courts and tribunals, cannot be curtailed under any circumstances.

20. In order to supplement the instant contention, learned counsel also placed reliance on Article 225 of the Constitution which is being extracted hereunder:-

"225. Jurisdiction of existing High Courts - Subject to the provisions of this Constitution and to the provisions of any law of the appropriate Legislature made by virtue of powers conferred on that Legislature by this Constitution, the jurisdiction of, and the law administered in, any existing High Court, and the respective powers of the Judges thereof in relation to the administration of justice in the Court, including any power to make rules of Court and to regulate the sittings of the court and of members thereof sitting alone or in Division Courts, shall be the same as immediately before the commencement of this Constitution:

Provided that any restriction to which the exercise of original jurisdiction by any of the High Courts with respect to any matter concerning the revenue or concerning any act ordered or done in the collection thereof was subject immediately before the commencement of this Constitution shall no longer apply to the exercise of such jurisdiction."

Inviting the Court's attention to the proviso to Article 225 of the Constitution it was submitted, that the original jurisdiction of High Courts on matters pertaining to revenue or the collection thereof, even if considered as barred, the said bar was ordered to be expressly done away with, by the proviso to Article 225 of the Constitution. In the present context, learned counsel for the petitioners invited our attention to Section 226(1) of the Government of India Act, 1935. The said Section is reproduced hereunder:-

"226(1) Until otherwise provided by Act of the appropriate Legislature, no High Court shall have any original Jurisdiction in any matter concerning the revenue, or concerning any act ordered or done in the collection thereof according to the usage and practice of the country or the law for the time being in force."

It was submitted, that under the above statutory provision, a High Court could not issue a writ in the nature of mandamus, to call upon a Revenue authority to discharge its statutory obligations, in respect of the assessment of tax. Likewise,

it was not open to the High Court, to issue a writ in the nature of certiorari or certiorarified mandamus, in order to set aside or modify an order of assessment, passed in violation of or in contravention of any statutory provision(s). It was submitted, that the proviso to Article 225 of the Constitution, as has been extracted hereinabove, was omitted by the Constitution (Forty-second Amendment) Act, 1976 (with effect from 1.2.1977). It was, however pointed out, that the Parliament having realized its mistake, restored the proviso to Article 225 of the Constitution, as was originally enacted by the Constitution (Forty-fourth Amendment) Act, 1978 (with effect from 20.6.1979). Thus viewed, according to the learned counsel for the petitioners, under the provisions of the Constitution, prevailing at the present juncture, the original jurisdiction of the High Court (i.e., the jurisdiction under Articles 226 and 227 of the Constitution), as also, the law administered by a High Court at the time of enactment of the Constitution, cannot be restricted. Accordingly, it was asserted, that on matters pertaining to revenue or the collection thereof, the adjudication authority of High Courts, could not be curtailed.

21. Articles 226 and 227 of the Constitution, on which emphatic reliance has been placed by the learned counsel, are being reproduced hereunder:-

"226. Power of High Courts to issue certain writs –

(1) Notwithstanding anything in article 32, every High Court shall have power, throughout the territories in relation to which it exercises jurisdiction, to issue to any person or authority, including in appropriate cases, any Government, within those territories directions, orders or writs, including writs in the nature of *habeas corpus*, *mandamus*, prohibition, *quo warranto* and *certiorari*, or any of them, for the enforcement of any of the rights conferred by Part III and for any other purpose.

(2) The power conferred by clause (1) to issue directions, orders or writs to any Government, authority or person may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises for the exercise of such power, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories.

(3) Where any party against whom an interim order, whether by way of injunction or stay or in any other manner, is made on, or in any proceedings relating to, a petition under clause (1), without -

- (a) furnishing to such party copies of such petition and all documents in support of the plea for such interim order; and
- (b) giving such party an opportunity of being heard, makes an application to the High Court for the vacation of such order and furnishes a copy of such application to the party in whose favour such order has been made or the counsel of such party, the High Court shall dispose of the application within a period of two weeks from the date on which it is received or from the date on which the copy of such application is so furnished, whichever is later, or where the High Court is closed on the last day of that period, before the expiry of the next day afterwards on which the High Court is open; and if the application is not so disposed of, the interim order shall, on the expiry of that period, or, as the case may be, the expiry of the aid next day, stand vacated.

(4) The power conferred on a High Court by this article shall not be in derogation of the power conferred on the Supreme Court by clause (2) of Article 32.

227. Power of superintendence over all courts by the High Court -

(1) Every High Court shall have superintendence over all courts and tribunals throughout the territories in relation to which it exercises jurisdiction.

(2) Without prejudice to the generality of the foregoing provisions, the High Court may -

- (a) call for returns from such courts;
- (b) make and issue general rules and prescribe forms for regulating the practice and proceedings of such courts; and
- (c) prescribe forms in which books, entries and accounts shall be kept by the officers of any such courts.

(3) The High Court may also settle tables of fees to be allowed to the sheriff and all clerks and officers of such courts and to attorneys, advocates and pleaders practising therein:

Provided that any rules made, forms prescribed or tables settled under clause (2) or clause (3) shall not be inconsistent with the provision of any law for the time being in force, and shall require the previous approval of the Governor.

(4) Nothing in this article shall be deemed to confer on a High Court powers of superintendence over any court or tribunal constituted by or under any law relating to the Armed Forces."

It was submitted, that the above original jurisdiction vested in the High Court to issue prerogative writs, has been shown to have been consciously preserved, for matters pertaining to levy and collection of tax. It was also submitted, that the enactment of the NTT Act has the clear and explicit effect, of excluding the jurisdiction of the High Courts. This was sought to be explained by indicating, that the jurisdiction to adjudicate appeals, traditionally determined by jurisdictional High Courts, from orders passed by Appellate Tribunals under the Income Tax Act, the Customs Act and the Excise Act (all taxing legislations) have been taken out of the purview of the High Courts, and have been vested with the NTT, by the NTT Act. It was further submitted, that even the jurisdiction vested in High Courts under Articles 226 and 227 of the Constitution, has been practically done away with. In this behalf the explanation was, that by providing for an appellate remedy against an order passed by the NTT, directly to the Supreme Court, the above original jurisdiction of the High Courts, had practically been frustrated and effectively neutralized. It is pointed out, that the curtailment of the jurisdiction of the High Courts under Articles 226 and 227 of the Constitution, must be viewed as submission, distinct and separate from the one emerging out of the substitution of, the jurisdiction of the High Courts under Section 260A of the Income Tax Act, 1961, Section 130 of the Customs Act, and Section 35G of the Excise Act. Whilst the former contention is based on a clear constitutional right, the submission based on the provisions of the taxing statutes,

emerges from a well accepted constitutional convention, coupled with the clear intent expressed in the proviso to Article 225 of the Constitution.

22. In order to support the second contention advanced by the petitioners, the following decisions were relied upon:

(i) Reliance was first of all, placed on the decision of the Privy Council in *Hinds v. The Queen Director of Public Prosecutions v. Jackson Attorney General of Jamaica (Intervener)*, 1976 All ER Vol. (1) 353. The factual/legal position which arose for determination in the cited case pertained to the Gun Court Act, 1974, enacted by the Parliament of Jamaica. The aforesaid enactment was made, without following the special procedure prescribed by Section 49 of the Constitution of Jamaica (to alter the provisions of the Constitution of Jamaica). The Gun Court Act, 1974, had the effect of creating a new Court – “the Gun Court”, to sit in three different kinds of divisions: A Resident Magistrate's Division, a Full Court Division and a Circuit Court Division. One or the other of these divisions, was conferred with the jurisdiction to try, different categories of offenders of criminal offences. Prior to the passing of the Act, and at the date of coming into force of the Constitution, these offences were cognizable only before a Resident Magistrate's Court, or before the Circuit Court of the Supreme Court of Jamaica. The Gun Court Act, 1974, also laid down the procedure to be followed (in each of the divisions). For certain specified offences relating to unauthorized possession, acquisition or disposal of firearms and ammunition, “the Gun Court” was required to mandatorily impose a sentence of detention on hard labour. A detenue could only be discharged, at the direction of the

Governor-General, acting in accordance with the advice of the Review Board.

The Review Board was a non-judicial body under the Gun Court Act, 1974.

Lord Diplock while recording the majority view in Hinds case (supra), observed as under:-

".....In seeking to apply to the interpretation of the Constitution of Jamaica what has been said in particular cases about other constitutions, care must be taken to distinguish between judicial reasoning which depended on the express words used in the particular constitution under consideration and reasoning which depended on what, though not expressed, is nonetheless a necessary implication from the subject-matter and structure of the constitution and the circumstances in which it had been made. Such caution is particularly necessary in cases dealing with a federal constitution in which the question immediately in issue may have depended in part on the separation of the judicial power from the legislative or executive power of the federation or of one of its component states and in part upon the division of judicial power between the federation and a component state.

Nevertheless all these constitutions have two things in common which have an important bearing on their interpretation. They differ fundamentally in their nature from ordinary legislation passed by the parliament of a sovereign state. They embody what is in substance an agreement reached between representatives of the various shades of political opinion in the state as to the structure of the organs of government through which the plenitude of the sovereign power of the state is to be exercised in future. All of them were negotiated as well as drafted by persons nurtured in the tradition of that branch of the common law of England that is concerned with public law and familiar in particular with the basic concept of separation of legislative, executive and judicial power as it had been developed in the unwritten constitution of the United Kingdom. As to their subject-matter, the peoples for whom new constitutions were being provided were already living under a system of public law in which the local institutions through which government was carried on, the legislature, the executive and the courts, reflected the same basic concept. The new constitutions, particularly in the case of unitary states, were evolutionary not revolutionary. They provided for continuity of government through successor institutions, legislative, executive and judicial, of which the members were to be selected in a different way, but each institution was to exercise powers which, although enlarged, remained of a similar character to those that had been exercised by the corresponding institution that it had replaced.

Because of this a great deal can be, and in drafting practice often is, left to necessary implication from the adoption in the new constitution of a governmental structure which makes provision for a legislature, an executive and a judicature. It is taken for granted that the basic principle of separation of powers will apply to the exercise of their respective functions by these three organs of government. Thus the constitution does not normally contain any express prohibition on the exercise of legislative powers by the executive or of judicial powers by either the executive or the legislature. As respects the judicature, particularly if it is intended that the previously existing courts shall continue to function, the constitution itself may even omit any express provision conferring judicial power upon the judicature. Nevertheless it is well established as a rule of construction applicable to constitutional instruments under which this governmental structure is adopted that the absence of express words to that effect does not prevent the legislative, the executive and the judicial powers of the new state being exercisable exclusively by the legislature, by the executive and by the judicature respectively. To seek to apply to constitutional instruments the canons of construction applicable to ordinary legislation in the fields of substantive criminal or civil law would, in their Lordships' view, be misleading - particularly those applicable to taxing statutes as to which it is a well-established principle that express words are needed to impose a charge on the subject.

In the result there can be discerned in all those constitutions which have their origin in an Act of the Imperial Parliament at Westminster or in an Order in Council, a common pattern and style of draftsmanship which may conveniently be described as 'the Westminster model.'

Before turning to those express provisions of the Constitution of Jamaica upon which the appellants rely in these appeals, their Lordships will make some general observations about the interpretation of constitutions which follow the Westminster model.

All Constitutions on the Westminster model deal under separate Chapter headings with the legislature, the executive and the judicature. The Chapter dealing with the judicature invariably contains provisions dealing with the method of appointment and security of tenure of the members of the judiciary which are designed to assure to them a degree of independence from the other two branches of government. It may, as in the case of the Constitution of Ceylon, contain nothing more. To the extent to which the Constitution itself is silent as to the distribution of the plenitude of judicial power between various courts it is implicit that it shall continue to be distributed between and exercised by the courts that were already in existence when the new Constitution came into force; but the legislature, in the exercise of its power to make laws for the 'peace, order and good government' of the state, may provide for the establishment of new courts and for the transfer to them of the whole or part of the jurisdiction previously exercisable by an existing court. What, however, is implicit in

the very structure of a Constitution on the Westminster model is that judicial power, however it be distributed from time to time between various courts, is to continue to be vested in persons appointed to hold judicial office in the manner and on the terms laid down in the Chapter dealing with the judicature, even though this is not expressly stated in the Constitution (Liyanage v. R. [1966] 1 All ER 650 at 658, [1967] A.C. 259 at 287, 288).

The more recent constitutions on the Westminster model, unlike their earlier prototypes, include a Chapter dealing with fundamental rights and freedoms. The provisions of this Chapter form part of the substantive law of the state and until amended by whatever special procedure is laid down in the Constitution for this purpose, impose a fetter upon the exercise by the legislature, the executive and the judiciary of the plenitude of their respective powers. The remaining Chapters of the Constitutions are primarily concerned not with the legislature, the executive and the judicature as abstractions, but with the persons who shall be entitled collectively or individually to exercise the plenitude of legislative, executive or judicial powers - their qualifications for legislative, executive or judicial office, the methods of selecting them, their tenure of office, the procedure to be followed where powers are conferred on a class of persons acting collectively and the majorities required for the exercise of those powers. Thus, where a constitution on the Westminster model speaks of a particular 'court' already in existence when the Constitution comes into force it uses this expression as a collective description of all those individual judges who, whether sitting alone or with other judges or with a jury, are entitled to exercise the jurisdiction exercised by that court before the Constitution came into force. Any express provision in the constitution for the appointment or security of tenure of judges of that court will apply to all individual judges subsequently appointed to exercise an analogous jurisdiction, whatever other name may be given to the 'court' in which they sit (Attorney-General for Ontario v. Attorney-General for Canada) [1925] A.C. 750.

Where, under a constitution on the Westminster model, a law is made by the Parliament which purports to confer jurisdiction on a court described by a new name, the question whether the law conflicts with the provisions of the constitution dealing with the exercise of the judicial power does not depend upon the label (in the instant case 'The Gun Court') which the Parliament attaches to the judges when exercising the jurisdiction conferred on them by the law whose constitutionality is impugned. It is the substance of the law that must be regarded, not the form. What is the nature of the jurisdiction to be exercised by the judges who are to compose the court to which the new label is attached? Does the method of their appointment and the security of their tenure conform to the requirements of the constitution applicable to judges who, at the time the constitution came into force, exercised jurisdiction of that nature? (Attorney-General for

Australia v. R. and Boilermakers' Society of Australia, [1957] A.C. 288, 309-310).

xxx xxx xxx
.....So in deciding whether any provisions of a law passed by the Parliament of Jamaica as an ordinary law are inconsistent with the Constitution of Jamaica, neither the courts of Jamaica nor their Lordships' Board are concerned with the propriety or expediency of the law impugned. They are concerned solely with whether those provisions, however reasonable and expedient, are of such a character that they conflict with an entrenched provision of the Constitution and so can be validly passed only after the Constitution has been amended by the method laid down by it for altering that entrenched provision."

The question examined by the Privy Council in the background of the factual/legal position expressed above, was recorded in the following words:-

"The attack on the constitutionality of the Full Court Division of the Gun Court may be based on two grounds. The first is that the Gun Court Act 1974 purports to confer on a court consisting of persons qualified and appointed as resident magistrates a jurisdiction which under the provisions of Chapter VII of the Constitution is exercisable only by a person qualified and appointed as a judge of the Supreme Court. The second ground is much less fundamental. It need only be mentioned briefly, for it arises only if the first ground fails. It is that even if the conferment of jurisdiction on a Full Court Division consisting of three resident magistrates is valid, section 112 of the Constitution requires that any assignment of a resident magistrate to sit in that division should be made by the Governor-General acting on the recommendation of the Judicial Service Commission and not by the Chief Justice as the 1974 Act provides."

The question was dealt with, by opining as under:-

"Chapter VII of the Constitution, 'The Judicature,' was in their Lordships' view intended to deal with the appointment and security of tenure of all persons holding any salaried office by virtue of which they are entitled to exercise civil or criminal jurisdiction in Jamaica. For this purpose they are divided into two categories: (i) a higher judiciary, consisting of judges of the Supreme Court and judges of the Court of Appeal, and (ii) a lower judiciary, consisting of those described in section 112 (2), viz.:

'... Resident magistrate, judge of the Traffic Court, Registrar of the Supreme Court, Registrar of the Court of Appeal and such other offices connected with the courts of Jamaica as, subject to the provisions of this Constitution, may be prescribed by Parliament.'

Apart from the offices of judge and registrar of the Court of Appeal which were new, these two categories embraced all salaried members of

the judiciary who exercised civil or criminal jurisdiction in Jamaica at the date when the Constitution came into force. A minor jurisdiction, particularly in relation to juveniles, was exercised by justices of the peace but, as in England, they sat part-time only, were unpaid and were not required to possess any professional qualification.

Common to both categories, with the exception of the Chief Justice of the Supreme Court and the President of the Court of Appeal, is the requirement under the Constitution that they should be appointed by the Governor-General on the recommendation of the Judicial Service Commission - a body established under section 111 whose composition is different from that of the Public Service Commission and consists of persons likely to be qualified to assess the fitness of a candidate for judicial office.

The distinction between the higher judiciary and the lower judiciary is that the former are given a greater degree of security of tenure than the latter. There is nothing in the Constitution to protect the lower judiciary against Parliament passing ordinary laws (a) abolishing their office (b) reducing their salaries while they are in office or (c) providing that their appointments to judicial office shall be only for a short fixed term of years. Their independence of the good-will of the political party which commands a bare majority in the Parliament is thus not fully assured. The only protection that is assured to them by section 112 is that they cannot be removed or disciplined except on the recommendation of the Judicial Service Commission with a right of appeal to the Privy Council. This last is a local body established under section 82 of the Constitution whose members are appointed by the Governor-General after consultation with the Prime Minister and hold office for a period not exceeding three years.

In contrast to this, judges of the Supreme Court and of the Court of Appeal are given a more firmly rooted security of tenure. They are protected by entrenched provisions of the Constitution against Parliament passing ordinary laws (a) abolishing their office (b) reducing their salaries while in office or (c) providing that their tenure of office shall end before they attain the age of 65 years. They are not subject to any disciplinary control while in office. They can only be removed from office on the advice of the Judicial Committee of Her Majesty's Privy Council in the United Kingdom given on a reference made on the recommendation of a tribunal of inquiry consisting of persons who hold or have held high judicial office in some part of the Commonwealth.

The manifest intention of these provisions is that all those who hold any salaried judicial office in Jamaica shall be appointed on the recommendation of the Judicial Service Commission and that their independence from political pressure by Parliament or by the Executive in the exercise of their judicial functions shall be assured by granting to them such degree of security of tenure in their office as is justified by the importance of the jurisdiction that they exercise. A clear distinction is

drawn between the security of tenure appropriate to those judges who exercise the jurisdiction of the higher judiciary and that appropriate to those judges who exercise the jurisdiction of the lower judiciary.

Their Lordships accept that there is nothing in the Constitution to prohibit Parliament from establishing by an ordinary law a court under a new name, such as the "Revenue Court," to exercise part of the jurisdiction that was being exercised by members of the higher judiciary or by members of the lower judiciary at the time when the Constitution came into force. To do so is merely to change the label to be attached to the capacity in which the persons appointed to be members of the new court exercise a jurisdiction previously exercised by the holders of one or other of the judicial offices named in Chapter VII of the Constitution. In their Lordships' view, however, it is the manifest intention of the Constitution that any person appointed to be a member of such a court should be appointed in the same manner and entitled to the same security of tenure as the holder of the judicial office named in Chapter VII of the Constitution which entitled him to exercise the corresponding jurisdiction at the time when the Constitution came into force.

Their Lordships understand the Attorney-General to concede that salaried judges of any new court that Parliament may establish by an ordinary law must be appointed in the manner and entitled to the security of tenure provided for members of the lower judiciary by section 112 of the Constitution. In their Lordships' view this concession was rightly made. To adopt the familiar words used by Viscount Simonds in *Attorney-General of Australia v. R. and Boilermakers' Society of Australia* [1957] A.C. 288, 309-310, it would make a mockery of the Constitution if Parliament could transfer the jurisdiction previously exercisable by holders of the judicial offices named in Chapter VII of the Constitution to holders of new judicial offices to which some different name was attached and to provide that persons holding the new judicial offices should not be appointed in the manner and on the terms prescribed in Chapter VII for the appointment of members of the judicature. If this were the case there would be nothing to prevent Parliament from transferring the whole of the judicial power of Jamaica (with two minor exceptions referred to below) to bodies composed of persons who, not being members of 'the Judicature,' would not be entitled to the protection of Chapter VII at all.

What the Attorney-General does not concede is that Parliament is prohibited by Chapter VII from transferring to a court composed of duly appointed members of the lower judiciary jurisdiction which, at the time the Constitution came into force, was exercisable only by a court composed of duly appointed members of the higher judiciary.

In their Lordships' view section 110 of the Constitution makes it apparent that in providing in section 103 (1) that: 'There shall be a Court of Appeal for Jamaica ...' the draftsman treated this form of words as carrying with it by necessary implication that the judges of the court required to be

established under section 103 should exercise an appellate jurisdiction in all substantial civil cases and in all serious criminal cases; and that the words that follow, viz. 'which shall have such jurisdiction and powers as may be conferred upon it by this Constitution or any other law,' do not entitle Parliament by an ordinary law to deprive the Court of Appeal of a significant part of such appellate jurisdiction or to confer it on judges who do not enjoy the security of tenure which the Constitution guarantees to judges of the Court of Appeal. Section 110 (1) of the Constitution which grants to litigants wide rights of appeal to Her Majesty in Council but only from 'decisions of the Court of Appeal,' clearly proceeds on this assumption as to the effect of section 103, Section 110 would be rendered nugatory if its wide appellate jurisdiction could be removed from the Court of Appeal by an ordinary law without amendment of the Constitution.

Their Lordships see no reason why a similar implication should not be drawn from the corresponding words of section 97. The Court of Appeal of Jamaica was a new court established under the Judicature (Appellate Jurisdiction) Law 1962, which came into force one day before the Constitution, viz. on 5 August, 1962. The Supreme Court of Jamaica had existed under that title since 1880. In the judges of that court there had been vested all that jurisdiction in Jamaica which in their Lordships' view was characteristic of a court to which in 1962 the description 'a Supreme Court' was appropriate in a hierarchy of courts which was to include a separate 'Court of Appeal.' The three kinds of jurisdiction that are characteristic of a Supreme Court where appellate jurisdiction is vested in a separate court are: (1) unlimited original jurisdiction in all substantial civil cases; (2) unlimited original jurisdiction in all serious criminal offences; (3) supervisory jurisdiction over the proceedings of inferior courts (viz. of the kind which owes its origin to the prerogative writs of certiorari, mandamus and prohibition).

That section 97 (1) of the Constitution was intended to preserve in Jamaica a Supreme Court exercising this characteristic jurisdiction is, in their Lordships' view, supported by the provision in section 13 (1) of the Jamaica (Constitution) Order in Council 1962, that 'the Supreme Court in existence immediately before the commencement of this Order shall be the Supreme Court for the purposes of the Constitution.' This is made an entrenched provision of the Constitution itself by section 21 (1) of the Order in Council, and confirms that the kind of court referred to in the words 'There shall be a Supreme Court for Jamaica' was a court which would exercise in Jamaica the three kinds of jurisdiction characteristic of a Supreme Court that have been indicated above.

If, as contended by the Attorney-General, the words italicised above in section 97 (1) entitled Parliament by an ordinary law to strip the Supreme Court of all jurisdiction in civil and criminal cases other than that expressly conferred upon it by section 25 and section 44, what would be left would be a court of such limited jurisdiction that the label 'Supreme

Court' would be a false description; so too if all its jurisdiction (with those two exceptions) were exercisable concurrently by other courts composed of members of the lower judiciary. But more important, for this is the substance of the matter, the individual citizen could be deprived of the safeguard, which the makers of the Constitution regarded as necessary, of having important questions affecting his civil or criminal responsibilities determined by a court, however named, composed of judges whose independence from all local pressure by Parliament or by the executive was guaranteed by a security of tenure more absolute than that provided by the Constitution for judges of inferior courts.

Their Lordships therefore are unable to accept that the words in section 97 (1), upon which the Attorney-General relies, entitle Parliament by an ordinary law to vest in a new court composed of members of the lower judiciary a jurisdiction that forms a significant part of the unlimited civil, criminal or supervisory jurisdiction that is characteristic of a 'Supreme Court' and was exercised by the Supreme Court of Jamaica at the time when the Constitution came into force, at any rate where such vesting is accompanied by ancillary provisions, such as those contained in section 6 (1) of the Gun Court Act 1974, which would have the consequence that all cases falling within the jurisdiction of the new court would in practice be heard and determined by it instead of by a court composed of judges of the Supreme Court.

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In their Lordships' view the provisions of the 1974 Act, in so far as they provide for the establishment of a Full Court Division of the Gun Court consisting of three resident magistrates, conflict with Chapter VII of the Constitution and are accordingly void by virtue of section 2.

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Thus Parliament, in the exercise of its legislative power, may make a law imposing limits upon the discretion of the judges who preside over the courts by whom offences against that law are tried to inflict on an individual offender a custodial sentence the length of which reflects the judge's own assessment of the gravity of the offender's conduct in the particular circumstance of his case. What Parliament cannot do, consistently with the separation of powers, is to transfer from the judiciary to any executive body whose members are not appointed under Chapter VII of the Constitution, a discretion to determine the severity of the punishment to be inflicted upon an individual member of a class of offenders. Whilst none would suggest that a Review Board composed as is provided in section 22 of the Gun Court Act 1974 would not perform its duties responsibly and impartially, the fact remains that the majority of its members are not persons qualified by the Constitution to exercise judicial powers. A breach of a constitutional restriction is not excused by the good intentions with which the legislative power has been exceeded by the particular law. If, consistently with the Constitution, it is permissible for the Parliament to confer the discretion to

determine the length of custodial sentences for criminal offences on a body composed as the Review Board is, it would be equally permissible to a less well-intentioned Parliament to confer the same discretion on any other person or body of persons not qualified to exercise judicial powers, and in this way, without any amendment of the Constitution, to open the door to the exercise of arbitrary power by the executive in the whole field of criminal law.

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Their Lordships would hold that the provisions of section 8 of the Act relating to the mandatory sentence of detention during the Governor-General's pleasure and the provisions of section 22 relating to the Review Board are a law made after the coming into force of the Constitution which is inconsistent with the provisions of the Constitution relating to the separation of powers. They are accordingly void by virtue of section 2 of the Constitution."

(ii) In the same sequence, learned counsel for the petitioners invited our attention to *Liyanage v. Reginam*, (1966) 1 All ER 650. It is first necessary to record the factual/legal matrix, in the cited judgment. All the 11 appellants in the matter before the Privy Council, were charged with offences arising out of an abortive coup d'e'tat on 27.1.1962. The factum of the said coup d'e'tat, was set out in a White Paper issued by the Government of Ceylon on 13.2.1962. The White Paper gave the names of 13 alleged conspirators including the appellants. The White Paper concluded by observing, that a deterrent punishment of a severe character ought to be imposed, on all those who were guilty. On 16.3.1962, the Criminal Law (Special Provisions) Act, No. 1 of 1962 was passed. It was given retrospective effect from 1.1.1962. It was limited in operation to those who were accused of offences against the State, on or around 27.1.1962. The above Act legalized imprisonment of the appellants, while they were awaiting trial. It modified a section of the Penal Code, so as to enact ex post facto, a new offence, to meet the circumstance of the abortive coup. It altered ex post facto,

the law of evidence, regarding settlements made by an accused, while in custody. It enacted a minimum punishment, accompanied by forfeiture of property, for the offences for which the appellants were tried. Under Section 440A of the Criminal Procedure Code, trial in case of sedition, could be directed to be before three judges without a jury. The instant provision was amended by the above Act, so as to extend the same, to the offences for which the appellants were charged. Under Section 9 of the above Act, the Minister of Justice was empowered to nominate the three judges. In exercise of his powers under Section 9, the Minister of Justice had nominated three judges, to try the appellants without a jury. The Supreme Court upheld the objection raised by the appellants, that Section 9 was ultra vires the Constitution of Ceylon, and that, the nomination was invalid. Thereafter, the Criminal Law Act, No. 31 of 1962 was passed. It repealed Section 9 of the earlier Act. It amended the power of nomination, in that, the power was conferred on the Chief Justice. On appeal by the appellants, against the conviction and sentence from their trial before a Court of three judges nominated under the Act, it was held, that the Criminal Law (Special Provisions) Act, No. 1 of 1962, as well as, the Criminal Law Act, No. 31 of 1962, were invalid for the two reasons. Firstly, under the Constitution of Ceylon, there was a separation of powers. The power of the judicature, while the Constitution stood, could not be usurped or infringed by the executive or the legislature. Secondly, the Criminal Law (Special Provisions) Act, No. 1 of 1962, as well as, the Criminal Law Act, No. 31 of 1962 were aimed at individuals concerned in an abortive coup, and were not legislation effecting criminal law of

general application. Although not every enactment *ad hominem*, and *ex post facto*, necessarily infringed the judicial power, yet there was such infringement in the present case, by the above two Acts. In addition to the above conclusions, it was also held, that the joint effect of the Ceylon Constitution Order in Council 1946, and the Ceylon Independence Act, 1947, was intended to, and resulted in, giving the Ceylon Parliament, full legislative powers of an independent sovereign State. Consequently, the legislative power of the Ceylon Parliament, was not limited by inability to pass laws, which offended fundamental principles of justice. The Privy Council while examining the above controversy, rendered the following opinion:-

"In Ceylon, however, the position was different. The change of sovereignty did not in itself produce any apparent change in the constituents or the functioning of the Judicature. So far as the courts were concerned their work continued unaffected by the new Constitution, and the Ordinances under which they functioned remained in force. The judicial system had been established in Ceylon by the Charter of Justice in 1833. Clause 4 of the Charter read:

"And to provide for the administration of justice hereafter in Our said Island Our will and pleasure is, and We do hereby direct that the entire administration of justice, civil and criminal therein, shall be vested exclusively in the courts erected and constituted by this Our Charter ... and it is Our pleasure and We hereby declare, that it is not, and shall not be competent to the Governor of Our said Island by any Law or Ordinance to be by him made, with the advice of the Legislative Council thereof or otherwise howsoever, to constitute or establish any court for the administration of justice in any case civil or criminal, save as hereinafter is expressly saved and provided."

Clause 5 established the Supreme Court and clause 6 a Chief Justice and two puisne judges. Clause 7 gave the Governor powers of appointing their successors. There follow many clauses with regard to administrative, procedural and jurisdictional matters. Some half a century later Ordinances (in particular the Courts Ordinance) continued the jurisdiction and procedure of the courts. Thereunder the courts have functioned continuously up to the present day.

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The Constitution is significantly divided into parts - "Part 2 The Governor-General," "Part 3 The Legislature," "Part 4 Delimitation of Electoral Districts," "Part 5 The Executive," "Part 6 The Judicature," "Part 7 The Public Service," "Part 8 Finance." And although no express mention is made of vesting in the judicature the judicial power which it already had and was wielding in its daily process under the Courts Ordinance, there is provision under Part 6 for the appointment of judges by a Judicial Service Commission which shall not contain a member of either House, but shall be composed of the Chief Justice and a judge and another person who is or shall have been a judge. Any attempt to influence any decision of the Commission is made a criminal offence. There is also provision that judges shall not be removable except by the Governor-General on an address of both Houses.

These provisions manifest an intention to secure in the judiciary a freedom from political, legislative and executive control. They are wholly appropriate in a Constitution which intends that judicial power shall be vested only in the judicature. They would be inappropriate in a Constitution by which it was intended that judicial power should be shared by the executive or the legislature. The Constitution's silence as to the vesting of judicial power is consistent with its remaining, where it had lain for more than a century, in the hands of the judicature. It is not consistent with any intention that henceforth it should pass to or be shared by, the executive or the legislature.

Counsel for the appellants succinctly summarises his attack on the Acts in question as follows. The first Act was wholly bad in that it was a special direction to the judiciary as to the trial of particular prisoners who were identifiable (in view of the White Paper) and charged with particular offences on a particular occasion. The pith and substance of both Acts was a legislative plan ex post facto to secure the conviction and enhance the punishment of those particular individuals. It legalised their imprisonment while they were awaiting trial. It made admissible their statements inadmissibly obtained during that period. It altered the fundamental law of evidence so as to facilitate their conviction, and finally it altered ex post facto the punishment to be imposed on them.

In their Lordships' view that cogent summary fairly describes the effect of the Acts. As has been indicated already, legislation ad hominem which is thus directed to the course of particular proceedings may not always amount to an interference with the functions of the judiciary. But in the present case their Lordships have no doubt that there was such interference; that it was not only the likely but the intended effect of the impugned enactments; and that it is fatal to their validity. The true nature and purpose of these enactments are revealed by their conjoint impact on the specific proceedings in respect of which they were designed, and they take their colour, in particular, from the alterations they purported to make as to their ultimate objective, the punishment of those convicted. These

alterations constituted a grave and deliberate incursion into the judicial sphere. Quite bluntly, their aim was to ensure that the judges in dealing with these particular persons on these particular charges were deprived of their normal discretion as respects appropriate sentences. They were compelled to sentence each offender on conviction to not less than ten years' imprisonment, and compelled to order confiscation of his possessions, even though his part in the conspiracy might have been trivial.

The trial court concluded its long and careful judgment with these words ((1965), 67 CNLR at p. 424):

"But we must draw attention to the fact that the Act of 1962 radically altered *ex post facto* the punishment to which the defendants are rendered liable. The Act removed the discretion of the court as to the period of the sentence to be imposed, and compels the court to impose a term of 10 years' imprisonment, although we would have wished to differentiate in the matter of sentence between those who organised the conspiracy and those who were induced to join it. It also imposes a compulsory forfeiture of property. These amendments were not merely retroactive: they were also *ad hoc*, applicable only to the conspiracy which was the subject of the charges we have tried. We are unable to understand this discrimination. To the courts, which must be free of political bias, treasonable offences are equally heinous, whatever be the complexion of the Government in power or whoever be the offenders."

Their Lordships sympathise with that protest and wholly agree with it.

One might fairly apply to these Acts the words of Chase J., in the Supreme Court of the United States in *Calder v. Bull*: "These acts were legislative judgments; and an exercise of judicial power."

Blackstone in his *Commentaries*, Vol. I (4th Edition), p. 44, wrote:

"Therefore a particular act of the legislature to confiscate the goods of Titius, or to attain him of high treason does not enter into the idea of a municipal law: for the operation of this act is spent upon Titius only and has no relation to the community in General: it is rather a sentence than a law."

If such Acts as these were valid the judicial power could be wholly absorbed by the legislature and taken out of the hands of the judges. It is appreciated that the legislature had no such general intention. It was beset by a grave situation and it took grave measures to deal with it, thinking, one must presume, that it had power to do so and was acting rightly; But that consideration is irrelevant, and gives no validity to acts which infringe the Constitution. What is done once, if it be allowed, may be done again and in a lesser crisis and less serious circumstances; and thus judicial power may be eroded. Such an erosion is contrary to the clear intention of

the Constitution. In their Lordships' view the Acts were ultra vires and invalid.

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It was agreed between the parties that if the Acts were ultra vires and invalid, the convictions cannot stand. Their Lordships have therefore humbly advised Her Majesty that this appeal should be allowed and that the convictions should be quashed."

(iii) Reference was then made to Director of Public Prosecutions of Jamaica v. Mollison, (2003) 2 AC 411. The factual controversy which led to the above cited decision of the Privy Council may be noticed. On 16.3.1994, when Kurt Mollison was merely 16 years old, he committed a murder in furtherance of a robbery. His offence was described as a "capital murder", under the law of Jamaica. After his trial, he was convicted on 21.4.1997, when he was 19 years old. On 25.4.997, he was sentenced under Section 29(1) of the Juveniles Act, 1951, to be detained during the Governor-General's pleasure. On 16.2.2000, although the Court of Appeal refused his prayer for leave to appeal against his conviction, it agreed to examine his contention, whether the sentence imposed on him was compatible with the provisions of the Constitution of Jamaica. The Court of Appeal accepted his contention. The sentence of detention, during the Governor-General's pleasure, was set aside. In its place, he was sentenced to life imprisonment, with the recommendation that, he be not considered for parole till he had served a term of 20 years' imprisonment. In the controversy which came up for consideration before the Privy Council, there were two main issues. Firstly, whether the sentence of detention during the Governor-General's pleasure authorized by Section 29(1), was a power exercised by him in his executive capacity. And secondly, whether the power to determine the measure for

punishment to be inflicted on an offender, is compatible with the Constitution.

The Privy Council, while examining the controversy, opined as under:-

"Section 29 of the Juveniles Act 1951

[3] Section 3 of the Offences against the Person Act 1864, as amended, provides that every person convicted of capital murder shall be sentenced to death. But special provision has been made for those who commit this crime when aged under 18. Following a number of amendments made pursuant to section 4 of the Jamaica (Constitution) Order in Council 1962 (SI 1962/1500), section 29 of the Juveniles Act 1951 now provides, so far as material to the main issue in this appeal, as follows:

"(1) Sentence of death shall not be pronounced on or recorded against a person convicted of an offence if it appears to the court that at the time when the offence was committed he was under the age of 18 years, but in place thereof the court shall sentence him to be detained during Her Majesty's pleasure, and, if so sentenced, he shall, notwithstanding anything in the other provisions of this Law, be liable to be detained in such place (including, save in the case of a child, an adult correctional centre) and under such conditions as the Minister may direct, and while so detained shall be deemed to be in legal custody.

(4) The Governor-General may release on licence any person detained under subsection (1) or (3) of this section. Such licence shall be in such form and contain such conditions as the Governor-General may direct, and may at any time be revoked or varied by the Governor-General. Where such licence is revoked the person to whom it relates shall return forthwith to such place as the Governor-General may direct, and if he fails to do so may be arrested by any constable without warrant and taken to such place."

[4] Section 29 as originally enacted was amended in 1964 to substitute "Minister" for "Governor" in subsection (1) and "Governor General" for "Governor" in each of the four references originally made to the Governor in subsection (4). In 1975 subsection (1) was further amended to make plain, reversing the effect of Baker v The Queen, [1975] AC 774, [1975] 3 All ER 55, that the statutory prohibition on pronouncement of the death sentence applied to those appearing to be aged under 18 at the time when they had committed the offence, not at the time of sentence. In 1985, the reference to "an adult correctional centre" was substituted for the previous reference to "a prison". The enacted reference to "Her Majesty's pleasure" has not, however, been amended, no doubt because section 68(2) of the Constitution of Jamaica provides that the executive authority of Jamaica may be exercised on behalf of Her Majesty by the Governor-General. In recognition of this constitutional reality, it appears to be the practice where section 29(1) applies, as was done in this case, to call the

sentence one of detention during the Governor-General's pleasure, and in this opinion that usage will be adopted.

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The Constitution

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The first question: is section 29 compatible with the Constitution of Jamaica?

[11] Both the Director and the Solicitor-General, who appeared with him, accepted at the hearing that, subject to their argument based on section 26(8) of the Constitution, section 29 of the Juveniles Act 1951 infringes the rights guaranteed by, and so is inconsistent with, sections 15(1)(b) and 20(1) of the Constitution. Given this concession, rightly made, it is unnecessary to do more than note the reason for it. A person detained during the Governor-General's pleasure is deprived of his personal liberty not in execution of the sentence or order of a court but at the discretion of the executive. Such a person is not afforded a fair hearing by an independent and impartial court, because the sentencing of a criminal defendant is part of the hearing and in cases such as the present sentence is effectively passed by the executive and not by a court independent of the executive.

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[13]It does indeed appear that the sentencing provisions under challenge in the Hinds case were held to be unconstitutional not because of their repugnancy to any of the rights guaranteed by sections in Chapter III of the Constitution but because of their incompatibility with a principle on which the Constitution itself was held to be founded. There appears to be no reason why (subject to the other arguments considered below) the reasoning in the Hinds case does not apply to the present case. It would no doubt be open to the Board to reject that reasoning, but it would be reluctant to depart from a decision which has stood unchallenged for 25 years, the more so since the decision gives effect to a very important and salutary principle. Whatever overlap there may be under constitutions on the Westminster model between the exercise of executive and legislative powers, the separation between the exercise of judicial powers on the one hand and legislative and executive powers on the other is total or effectively so. Such separation, based on the rule of law, was recently described by Lord Steyn as "a characteristic feature of democracies": R (Anderson) v Secretary of State for the Home Department, [2002] 4 All ER 1089, [2002] 3 WLR 1800, at pp. 1821-1822, para 5 of the latter report. In the opinion of the Board, Mr Fitzgerald has made good his challenge to section 29 based on its incompatibility with the constitutional principle that judicial functions (such as sentencing) must be exercised by the judiciary and not by the executive.

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.....The nature and purpose of the sentence of detention during the Governor-General's pleasure are clear, as explained above. The only question is who should decide on the measure of punishment the detainee should suffer. Since the vice of section 29 is to entrust this decision to the executive instead of the judiciary, the necessary modification to ensure conformity with the Constitution is (as in Browne v The Queen, [2000] 1 AC 45) to substitute "the court's" for "Her Majesty's" in subsection (1) and "the court" for each reference to "the Governor-General" in subsection (4)."

(iv) Our attention was also invited to Harry Brandy v. Human Rights and Equal Opportunity Commission, (1995) 183 CLR 245. The instant judgment was rendered by the High Court of Australia. The factual controversy which led to the above determination is being narrated first. The plaintiff Harry Brandy was engaged as an officer of the Aboriginal and Torres Strait Islander Commission. The third defendant John Bell was also an officer of the said Commission. The plaintiff and the third defendant continued to serve the Commission until the Commission itself ceased to exist. On 13.3.1990, John Bell lodged a complaint with the Human Rights and Equal Opportunity Commission, wherein he alleged, verbal abuse and threatening behaviour on the part of Harry Brandy, while both were in the employment of the Commission. Thereafter, John Bell issued a notice under Section 24 of the Racial Discrimination Act, 1975. And accordingly, the Commissioner referred the complaint to the Commission. The power of the Commission, to hold an enquiry under the Racial Discrimination Act, 1975 against Harry Brandy, was exercised by the second defendant. The second defendant had been appointed under Section 24 of the Racial Discrimination Act, 1975, which empowered the Minister, to appoint a person to perform and discharge the functions of the Commissioner. The second defendant returned

his findings under Section 25Z of the Racial Discrimination Act, 1975 on 22.12.1993. The defendant's complaint was found to be substantiated. In disposing of the controversy, the second defendant required Harry Brandy, the plaintiff, to do the following acts/course of conduct:-

- "(1) that the Plaintiff do apologise to the Third Defendant, the form of the apology being annexed to the determination;
- (2) that the Plaintiff do pay the sum of \$2 500 to the Third Defendant by way of damages for the pain, humiliation, distress and loss of personal dignity suffered by the Third Defendant;
- (3) that ATSIC do take disciplinary action against the Plaintiff, in relation to the conduct which he perpetrated against the Third Defendant;
- (4) that ATSIC do apologise to the Third Defendant in relation to the handling of his complaint, the form of the apology being annexed to the determination;
- (5) that ATSIC do pay the sum of \$10 000 to the Third Defendant by way of damages for the pain, humiliation, distress and loss of personal dignity suffered by the Third Defendant."

In order to contest the determination rendered by the second defendant, Harry Brandy raised a challenge to the provisions of the Racial Discrimination Act, 1975. The challenge raised by him came to be formulated in the following words:-

"In consequence of the amendments embodied in the Sex Discrimination and other Legislation Amendment Act 1992 and/or the Law and Justice Legislation Amendment Act 1993 as they affect the Racial Discrimination Act 1975 are any, and if so which, of the provisions of Part III of the Racial Discrimination Act invalid?"

While adjudicating upon the matter, the High Court of Australia held as under:-

"The plaintiff's challenge to the Act-
15. The plaintiff's challenge to particular provisions of the Act is based upon the proposition that they provide for an exercise of judicial power otherwise than in conformity with Ch.III of the Commonwealth Constitution in that the power is exercised by the Commission which is not a court established pursuant to s.71 and constituted in accordance with s.72 of the Constitution. The plaintiff further argues that the correctness of this

proposition is not affected by the provisions for review by the Federal Court.

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21. Although many decision-making functions may take their character as an exercise of judicial, executive or legislative power from their legislative setting, the character of the decision-maker and the nature of the decision-making process, some decision-making functions are exclusive and inalienable exercises of judicial power (34 Reg. v. Davison (1954) 90 CLR at 368-370 per Dixon CJ and McTiernan J). As Dixon CJ and McTiernan J observed in Reg. v. Davison (35 ibid. at 369) :

"The truth is that the ascertainment of existing rights by the judicial determination of issues of fact or law falls exclusively within judicial power so that the Parliament cannot confide the function to any person or body but a court constituted under ss.71 and 72 of the Constitution".

In that statement, the expression "judicial determination" means an authoritative determination by means of the judicial method, that is, an enforceable decision reached by applying the relevant principles of law to the facts as found.

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25. Turning to the case before the Court, whatever might be the enforceability of a declaration that the plaintiff "do apologise", a declaration that the plaintiff "do pay the sum of \$2 500" to the third defendant, once registered, attracts the operation of s.53 of the Federal Court of Australia Act 1976 (Cth). By that section, a person in whose favour a judgment is given is entitled to the same remedies for enforcement, by execution or otherwise, as are allowed by the laws of the State or Territory applicable. In the present case, this means New South Wales. Section 53 does not affect the operation of any provision made by or under any other Act or the Rules of Court for the execution and enforcement of judgments of the Court (40 s.53(2)) .

26. But s.25ZAB goes beyond providing the machinery for the enforcement of a determination. It purports to give a registered determination effect "as if it were an order made by the Federal Court". A judicial order made by the Federal Court takes effect as an exercise of Commonwealth judicial power, but a determination by the Commission is neither made nor registered in the exercise of judicial power. An exercise of executive power by the Commission and the performance of an administrative function by the Registrar of the Federal Court simply cannot create an order which takes effect as an exercise of judicial power; conversely, an order which takes effect as an exercise of judicial power cannot be made except after the making of a judicial determination. Thus, s.25ZAB purports to prescribe what the Constitution does not permit."

(v) Our attention was then invited to Reference Re Residential Tenancies Act, 123 DLR (3d) 554. The factual matrix, in furtherance of which the above judgment was rendered by the Supreme Court of Canada, is as follows. The provisions of the Residential Tenancies Act, 1979 (Ontario), by which the Residential Tenancy Commission was empowered to order eviction of tenants, as also, could require landlords and tenants to comply with the obligations imposed under the said Act, were assailed, as offending against the limitation contained in Section 96 of the British North America Act, 1867, and therefore, *ultra vires*. In recording its conclusions on a similar analogy, as in the judgments noticed above, the Supreme Court of Canada observed as under:-

"Under s. 92(14) of the British North America Act, 1867, the provincial Legislatures have the legislative power in relation to the administration of justice in the Province. This is a wide power but subject to subtraction of ss. 96 to 100 in favour of the federal authority. Under s. 96 the Governor General has the sole power to appoint the judges of the Superior, District and County Courts in each Province. Under s. 97 the Judges who are to be appointed to the Superior, District and County Courts are to be selected from the respective bars of each Province. Under s. 100 the Parliament of Canada is obliged to fix and provide for their salaries. Section 92(14) and ss. 96 to 100 represent one of the important compromises of the Fathers of Confederation. It is plain that what was sought to be achieved through this compromise, and the intended effect of s. 96, would be destroyed if a Province could pass legislation creating a tribunal, appoint members thereto, and then confer on the tribunal the jurisdiction of the Superior Courts. What was conceived as a strong constitutional base for national unity, through a unitary judicial system, would be gravely undermined. Section 96 has thus come to be regarded as limiting provincial competence to make appointments to a tribunal exercising s. 96 judicial powers and therefore as implicitly limiting provincial competence to endow a provincial tribunal with such powers.

IV

The belief that any function which in 1867 had been vested in a s. 96 Court must forever remain in that Court reached its apogee in the judgment of Lord Atkin in *Toronto Corporation v. York Tp. Et. Al.*, (1938) 1, DLR 593, (1938) AC 415, (1938) 1 WWR 452. Describing s. 96 as one of

the "three principal pillars in the temple of justice... not to be undermined". Lord Atkin held that the Ontario Municipal Board could not validly receive "judicial authority". At the same time, he held that the Municipal Board was in 'pith and substance' an administrative body, and the impugned 'judicial functions' were severable from the administrative powers given to the Board under its enabling legislation. There was no analysis of the inter-relationship between the judicial and administrative features of the legislative scheme; the assumption was that any attempt to confer a s. 96 function on a provincially-appointed tribunal was *ultra vires* the Legislature. This sweeping interpretation of s. 96, with its accompanying restrictive view of provincial legislative authority under s. 92, was limited almost immediately by the judgment of this Court in the *Reference re Adoption Act and Other Act, etc.*, (1938) 3 DLR 497, 71 CCC 110, (1938) SCR 398.

Chief Justice Duff held that the jurisdiction of inferior Courts was not "fixed forever as it stood at the date of Confederation". On his view, it was quite possible to remove jurisdiction from a Superior Court and vest it in a Court of summary jurisdiction. The question which must be asked was whether "the jurisdiction conferred upon Magistrates under these statutes broadly conforms to a type of jurisdiction generally exercisable by Courts of summary jurisdiction rather than the jurisdiction of Courts within the purview of s. 96" (p. 514). In the *Adoption Reference*, Duff C.J. looked to the historical practice in England and concluded that the jurisdiction conferred on Magistrates under the legislation before the Court in the *Reference* was analogous to the jurisdiction under the English *Poor Laws*, a jurisdiction which had belonged to courts of summary nature rather than to Superior Courts. On this basis, the legislation was upheld. The *Adoption Reference* represented a liberalization of the view of s. 96 adopted by the Privy Council in *Toronto v. York*, at least in the context of a transfer of jurisdiction from a Superior Court to an inferior Court.

The same process of liberalization, this time in the context of a transfer of jurisdiction from a Superior Court to an administrative tribunal, was initiated by the Privy Council in *Labour Relations Board of Saskatchewan v. John East Iron Works, Limited*, (1948) 4 DLR 673, (1949) AC 134, (1948) 2 WWR 1055. Lord Simonds proposed a two-fold test. The first limb of the test is to ask whether the board or tribunal exercises "judicial power". Lord Simonds did not propose a 'final' answer to the definition of "judicial power", but he suggested at p. 680 DLR, p. 149 AC, that:

"...the conception of the judicial function is inseparably bound up with the idea of a suit between parties, whether between Crown and subject or between subject and subject, and that it is the duty of the Court to decide the issue between those parties, with whom alone it rests to initiate or defend or compromise the proceedings."

If the answer to the initial question as to "judicial power" is in the negative, then that concludes the matter in favour of the provincial board.

If, however, the power is in fact a judicial power, then it becomes necessary to ask a second question: in the exercise of that power, is the tribunal analogous to a Superior, District or County Court?

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Step two involves consideration of the function within its institutional setting to determine whether the function itself is different when viewed in that setting. In particular, can the function still be considered to be a 'judicial' function? In addressing the issue, it is important to keep in mind the further statement by Rand J. in *Dupont v. Inglis* (at p. 424 DLR, p. 543 SCR) that "...it is the subject-matter rather than the apparatus of adjudication that is determinative". Thus the question of whether any particular function is 'judicial' is not to be determined simply on the basis of procedural trappings. The primary issue is the nature of the question which the tribunal is called upon to decide. Where the tribunal is faced with a private dispute between parties, and is called upon to adjudicate through the application of a recognized body of rules in a manner consistent with fairness and impartiality, then, normally, it is acting in a 'judicial capacity'. To borrow the terminology of Professor Ronald Dworkin, the judicial task involves questions of 'principle', that is, consideration of the competing rights of individuals or groups. This can be contrasted with questions of 'policy' involving competing views of the collective good of the community as a whole. (See Dworkin, *Taking Rights Seriously* (1977) at pp. 82-90 (Duckworth)."

A perusal of the conclusions recorded by the Supreme Court of Canada reveals, that the court evolved a three step test to determine the constitutional validity of a provision which vested adjudicatory functions in an administrative tribunal. The first step was determined in the light of the historical conditions existing in 1867, i.e. before the British North America Act, 1867 was enacted. The first step required a determination whether at the time of Confederation, the power or jurisdiction now vested in an administrative tribunal, was exercised through a judicial court process. If the answer to the first step was in the negative, the constitution of the administrative tribunal would be valid. If historical evidence indicated, that the power, now vested with an administrative tribunal, was identical or analogous to a power exercised under Section 96 Courts at

Confederation, then the matter needed to be examined further. The second step was to determine, whether the power to be exercised by the administrative tribunal, should be considered as a judicial function. Insofar as the instant aspect of the matter is concerned, it was illustratively concluded, that where power vested in the administrative tribunal was in respect of adjudication of disputes between the parties, which required to be settled through an application of a recognized body of rules, in a manner consistent with fairness and impartiality, then the said power could be classified as judicial power/function. If, however, while applying the second step, the answer was in the negative, it was not necessary to proceed with the matter further, and the vesting of the power with the administrative tribunal should be considered as valid. If the power or jurisdiction is exercised in a judicial manner, then it is imperative to proceed to the third and final step. The third step contemplates analysis and review of the administrative tribunal's functions as a whole, and to examine the same in its entire institutional context. It contemplated an examination of the inter-relationship between the administrative tribunal's judicial powers, and the other powers and jurisdiction conferred by the legislative enactment. If a judicial hearing is a must, whereafter a judgment was required to be rendered, the administrative tribunal would be deemed to be exercising jurisdiction which is ordinarily vested in a Court . It is after recording a finding in the affirmative on all the three steps, that it will be possible to conclude, whether judicial functions have been required to be exercised by the concerned administrative tribunal. Having examined the controversy in Reference Re Residential Tenancies Act

(supra), the Supreme Court of Canada arrived at the conclusion, that the Residential Tenancy Commission could have been authorized to grant orders for possession to a landlord or to grant orders for specific performance of a tenancy.

23. Finally, learned counsel for the petitioners placed reliance on "Constitutional Law of Canada", by Peter W. Hogg (third edition, 1992, by Carswell, Thomson Professional Publishing) in order to assert, that even under Constitutions where the separation of power rule has not been explicitly provided for, there would be limitations in delegation of Court functions to tribunals. Relevant text on the subject, from the above treatise is being reproduced hereunder:-

"7.3 Implications of Constitution's judicature sections

(a) Separation of powers

There is no general "separation of powers" in the Constitution Act, 1867. The Act does not separate the legislative, executive and judicial functions and insist that each branch of government exercise only "its own" function. As between the legislative and executive branches, any separation of powers would make little sense in a system of responsible government; and it is clearly established that the Act does not call for any such separation. As between the judicial and the two political branches, there is likewise no general separation of powers. Either the Parliament or the Legislatures may by appropriate legislation confer non-judicial functions on the courts and (with one important exception, to be discussed) may confer judicial functions on bodies that are not courts.

Each Canadian jurisdiction has conferred non-judicial functions on its courts, by enacting a statute which enables the government to refer a question of law to the courts for an advisory opinion. The rendering of advisory opinions to government is traditionally an "executive" function, performed by the law officers of the government. For that reason, the supreme Court of the United States and the High Court of Australia have refused to render advisory opinions, reasoning that a separation of powers doctrine in their Constitutions confines the courts to the traditional judicial function of adjudicating upon genuine controversies. But in the Reference Appeal (1912), A-G Ont. v. A-G. Can. (Reference Appeal) (1912) AC 571, the Privy Council refused to read any such limitation into Canada's Constitution. Their lordships upheld the federal reference statute,

apparently as a law in relation to the supreme court of Canada (s.101). The provincial reference statutes are also valid as laws in relation to the administration of justice in the province (s.92(14)).

The conferral of judicial functions on bodies which are not courts is likewise subject to no general prohibition. However, here there is an important qualification to be made. The courts have held that the provincial Legislatures may not confer on a body other than a superior, district or county court judicial functions analogous to those performed by a superior, district or county court. This little separation of powers doctrine has been developed to preclude evasion of the stipulations of ss. 96 to 100 of the constitution Act, 1867.

If ss. 96 to 100 of the constitution Act, 1867 were read literally, they could easily be evaded by a province which wanted to assume control of its judicial appointments. The province could increase the jurisdiction of its inferior courts so that they assumed much of the jurisdiction of the higher courts; or the province could best higher-court jurisdiction in a newly-established tribunal, and call that tribunal an inferior court or an administrative tribunal. It is therefore not surprising that the courts have added a gloss to s. 96 and the associated constitutional provisions. What they have said is this: if a province invests a tribunal with a jurisdiction of a kind that ought properly to belong to a superior, district or county court, then that tribunal, whatever its official name, is for constitutional purposes a superior, district or county court and must satisfy the requirements of s. 96 and the associated provisions of the constitution Act, 1867. This means that such a tribunal will be invalidly constituted, unless its members (1) are appointed by the federal government in conformity with s. 96, (2) are drawn from the bar of the province in conformity with ss. 97 and 98, and (3) receive salaries that are fixed and provided by the federal parliament in conformity with s. 100.

So far the law is clear, and the policy underlying it is comprehensible. But the difficulty lies in the definition of those functions that ought properly to belong to a superior, district or county court. The courts have attempted to fashion a judicially enforceable rule which would separate "s. 96 functions" from other adjudicatory functions. The attempt has not been successful, and it is difficult to predict with confidence how the courts will characterize particular adjudicatory functions. The uncertainty of the law, with its risk of nullification, could be a serious deterrent to the conferral of new adjudicatory functions on inferior courts or administrative tribunals, and a consequent impediment to much new regulatory or social policy. For the most part, the courts have exercised restraint in reviewing the provincial statutes which create new adjudicatory jurisdictions, so that the difficulty has not been as serious as it could have been. However, in the last two decades, there has been a regrettable resurgence of s. 96 litigation: five challenges to the powers of inferior courts or tribunals based on s. 96 have succeeded in the Supreme Court

of Canada, A.G. Que. v. Farrah [1978] 2 S.C.R. 638; Re Residential Tenancies Act [1981] 1 S.C.R. 714; Crevier v. A.G. Que. [1981] 2 S.C.R. 220; Re B.C. Family Relations Act [1982] 1 S.C.R. 62; McEvoy v. A.G.N.B. [1983] 1 S.C.R. 704. Since the abolition of Privy Council appeals, two other challenges have also been successful, namely, A.G. Ont. v. Victoria medical building [1960] S.C.R. 32; Seminary of Chicoutimi v. A.G. Que. [1973] S.C.R. 681, and these decisions have spawned many more challenges. These developments are described in the text that follows.

24. It was also the submission of the learned counsel for the petitioners, that the proposition of law highlighted hereinabove on the basis of the provisions of constitutions of different countries (Jamaica, Ceylon, Australia and Canada) decided either by the Privy Council or the highest courts of the concerned countries, is fully applicable to India as well. In order to demonstrate this, he placed reliance on State of Maharashtra v. Labour Law Practitioners' Association, (1998) 2 SCC 688. The controversy in the cited case originated with the filing of a writ petition by the respondent Association challenging the appointment of Assistant Commissioners of Labour (i.e., Officers discharging executive functions under the Labour Department). The above appointments had been made, consequent upon amendments to the provisions of the Bombay Industrial Relations Act, and the Industrial Disputes (Maharashtra Amendment) Act. The submission advanced at the hands of the respondent Association was, that Labour Courts had been constituted in the State of Maharashtra, under the Industrial Disputes Act, the Bombay Industrial Relations Act, as also, the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices, Act. Qualifications of persons to be appointed as a judge of the Labour Court under the Industrial Disputes Act, was stipulated in Section 7, which provided as under:-

- “(a) that he was or had been a Judge of a High Court; or
- (b) that he had for a period of not less than three years been a District Judge or an Additional District Judge; or
- (c) that he had held the office of the Chairman or any other Member of the Labour Appellate Tribunal or of any Tribunal for a period of not less than two years; or
- (d) that he had held any judicial office in India for not less than seven years; or
- (e) that he had been the Presiding Officer of a Labour Court constituted under any provincial Act for not less than five years.”

By the Industrial Disputes (Maharashtra Amendment) Act, 1974, Section 7 was amended, and three more sources of recruitment for the post of judge of the Labour Court were added. These were:-

- “(d-1) he has practiced as an advocate or attorney for not less than seven years in the High Court, or any court, subordinate thereto, or any Industrial Court or Tribunal or Labour Court, constituted under any law for the time being in force; or
- (d-2) he holds a degree in law of a University established by law in any part of India and is holding or has held an office not lower in rank than that of a Deputy Registrar of any such Industrial Court or Tribunal for not less than five years; or
- (d-3) he holds a degree in law of University established by law in any part of India and is holding or has held an office not lower in rank than that of Assistant Commissioner of Labour under the State Government for not less than five years.”

Under the Bombay Industrial Relations Act, as it originally stood, Section 9 provided, that only such persons would be eligible for appointment as a judge of the Labour Court, who possessed the qualifications laid down under Article 234 of the Constitution, for being eligible to enter judicial service in the State of Maharashtra. By the Maharashtra Act 47 of 1977, Section 9 of the Bombay Industrial Relations Act was amended by substituting a new sub-section (2), which replaced the original sub-section (2) of Section 9. The amended sub-section (2) was as follows:-

"9. (2) A person shall not be qualified for appointment as the presiding officer of a Labour Court, unless:

(a) he has held any judicial office in India for not less than five years; or

(b) he has practiced as an Advocate or Attorney for not less than seven years in the High Court or any court subordinate thereto, or in any Industrial Court, Tribunal or Labour Court constituted under any law for the time being in force; or

(c) he holds a degree in law of a University established by law in any part of India and is holding or has held an office not lower in rank than that of Deputy Registrar of any such Industrial Court or Tribunal, or of Assistant Commissioner of Labour under the State Government, in both cases for not less than five years."

In the first instance, this Court for the first time declared the salient components of the functions exercised by a civil court, as under:-

"6. In the case of The Bharat Bank Ltd. v. Employees, AIR 1950 SC 188, this Court considered whether an Industrial Tribunal was a court. It said that one cannot go by mere nomenclature. One has to examine the functions of a Tribunal and how it proceeds to discharge those functions. It held that an Industrial Tribunal had all the trappings of a court and performed functions which cannot but be regarded as judicial. The Court referred to the Rules by which proceedings before the Tribunal were regulated. The Court dwelt on the fact that the powers vested in it are similar to those exercised by civil courts under the Code of Civil Procedure when trying a suit. It had the power of ordering discovery, inspection etc. and forcing the attendance of witnesses, compelling production of documents and so on. It gave its decision on the basis of evidence and in accordance with law. Applying the test laid down in the case of Cooper v. Wilson, (1937) 2 K.B. 309 at p.340, this Court said that "a true judicial decision presupposes an existence of dispute between two or more parties and then involves four requisites - (1) the presentation of their case by the parties; (2) ascertainment of facts by means of evidence adduced by the parties often with the assistance of argument; (3) if the dispute relates to a question of law, submission of legal arguments by the parties; and (4) by decision which disposes of the whole matter by findings on fact and application of law to facts so found. Judged by the same tests, a Labour Court would undoubtedly be a court in the true sense of the term. The question, however, is whether such a court and the presiding officer of such a court can be said to hold a post in the judicial service of the State as defined in Article 236 of the Constitution."

The other relevant observations recorded in the above cited judgment are reproduced below:-

"13. Reliance has been placed upon this judgment as showing that judicial service is interpreted narrowly to cover only the hierarchy of civil courts headed by the District Judge. This Court, however, was not considering the position of other civil courts, in the context of the extensive definition given to the term "district judge". This Court was concerned with preserving independence of the judiciary from the executive and making sure that persons from non-judicial services, such as, the police, excise or revenue were not considered as eligible for appointment as District Judges. That is why the emphasis is on the fact that the judicial service should consist exclusively of judicial officers. This judgment should not be interpreted narrowly to exclude from judicial service new hierarchies of civil courts being set up which are headed by a judge who can be considered as a District Judge bearing in mind the extensive definition of that term in Article 236.

14. The High Court has, therefore, correctly interpreted the observations of this Court in Chandra Mohan vs. State of U.P., AIR 1966 SC 1987, as giving paramount importance to the enforcement of the constitutional scheme providing for independence of the judiciary. The concern of the court was to see that this independence was not destroyed by an indirect method.

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18. In the case of Shri Kumar Padma Prasad v. Union of India & Ors., (1992) 2 SCC 428, this Court had to consider qualifications for the purpose of appointment as a Judge of the High Court under Article 217 of the Constitution. While interpreting the expression "judicial office" under Article 217(2)(a), this Court held that the expression "judicial office" must be interpreted in consonance with the scheme of Chapters V and VI of Part VI of the Constitution. So construed it means a judicial office which belongs to the judicial service as defined under Article 236(b). Therefore, in order to qualify for appointment as a judge of a High Court, a person must hold a judicial office which must be a part of the judicial service of the State. After referring to the cases of Chandra Mohan (supra) and Statesman (Private) Ltd. vs. H.R. Deb, AIR 1968 SC 1495, this Court said that the term "judicial office" in its generic sense may include a wide variety of offices which are connected with the administration of justice in one way or the other. Officers holding various posts under the executive are often vested with magisterial power to meet a particular situation. The Court said,

"Did the framers of the Constitution have this type of 'offices' in mind when they provided a source of appointment to the high office, of a judge of the High Court from amongst the holders of a 'judicial office'? The answer, has to be in the negative. We are of the view

that holder of judicial office under Article 217(2)(a) means the person who exercises only judicial functions, determines causes inter-parties and renders decisions in a judicial capacity. He must belong to the judicial service which as a class is free from executive control and is disciplined to uphold the dignity, integrity and independence of the judiciary."

Going by these tests laid down as to what constitutes judicial service under Article 236 of the Constitution, the Labour Court judges and the judges of the Industrial Court can be held to belong to judicial service. The hierarchy contemplated in the case of Labour Court judges is the hierarchy of Labour Court judges and Industrial Court judges with the Industrial Court judges holding the superior position of District Judges. The Labour Courts have also been held as subject to the High Court's power of superintendence under Article 227.

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20. The constitutional scheme under Chapter V of Part VI dealing with the High Courts and Chapter VI of Part VI dealing with the subordinate courts shows a clear anxiety on the part of the framers of the Constitution to preserve and promote independence of the judiciary from the executive. Thus Article 233 which deals with appointment of District Judges requires that such appointments shall be made by the Governor of the State in consultation with the High Court. Article 233(2) has been interpreted as prescribing that "a person in the service of the Union or the State" can refer only to a person in the judicial service of the Union or the State. Article 234 which deals with recruitment of persons other than District Judges to the judicial service requires that their appointments can be made only in accordance with the Rules framed by the Governor of the State after consultation with the State Public Service Commission and with the High Court. Article 235 provides that the control over district courts and courts subordinate thereto shall be vested in the High Court; and Article 236 defines the expression "District Judge" extensively as covering judges of a City Civil Court etc. as earlier set out, and the expression "judicial service" as meaning a service consisting exclusively of persons intended to fill the post of the District Judge and other civil judicial posts inferior to the post of District Judge. Therefore, bearing in mind the principle of separation of powers and independence of the judiciary, judicial service contemplates a service exclusively of judicial posts in which there will be a hierarchy headed by a District Judge. The High Court has rightly come to the conclusion that the persons presiding over Industrial and Labour Courts would constitute a judicial service so defined. Therefore, the recruitment of Labour Court judges is required to be made in accordance with Article 234 of the Constitution."

25. According to the learned counsel for the petitioners, the judgments and text cited hereinabove, are fully applicable on the subject of administration of

justice through courts in India. Insofar as the instant aspect of the matter is concerned, learned counsel placed reliance on Article 50 of the Constitution, which is reproduced hereunder:-

"50. Separation of judiciary from executive - The State shall take steps to separate the judiciary from the executive in the public services of the State."

Based on Article 50 aforementioned, it was the contention of the learned counsel for the petitioners, that the Constitution itself mandates a separate judicial hierarchy of courts distinct from the executive.

26. Coupled with the above mandate, it was the contention of the learned counsel for the petitioners, that the provisions of the Income Tax Act, the Customs Act, and the Excise Act prior to independence of this country, and even thereafter, vested the High Courts with an exclusive jurisdiction to settle "questions of law" emerging out of tax disputes. It was further contended, that even after the enforcement of the Constitution, with effect from 26.11.1949, the adjudicatory power to decide substantial questions of law, continued to be vested in the High Courts, inasmuch as, the jurisdictional High Courts continued to exercise appellate jurisdiction. The position has remained unaltered till date. It is, therefore, the contention of the learned counsel for the petitioners, that historically, constitutionally and legally, the appellate jurisdiction in direct/indirect tax matters, has remained with the High Courts, and it is not permissible either by way of an amendment to the Constitution itself, or by enacting a legislation, to transfer the said appellate jurisdiction exercised by the High Courts to a quasi-judicial tribunal.

The third contention:

27. In the course of the submissions advanced by the learned counsel for the petitioners on the third contention, wherein it was sought to be submitted, that "separation of powers", the "rule of law" and "judicial review" constitute amongst others, the "basic structure" of the Constitution, it was submitted, that Article 323B inserted by the Constitution (Forty-second Amendment) Act, 1976 was violative of the above mentioned components of the basic structure of the Constitution. Article 323B is being extracted hereunder:-

- "323B. Tribunals for other matters - (1) The appropriate Legislature may, by law, provide for the adjudication or trial by tribunals of any disputes, complaints, or offences with respect to all or any of the matters specified in clause (2) with respect to which such Legislature has power to make laws.
- (2) The matters referred to in clause (1) are the following, namely:-
- (a) levy, assessment, collection and enforcement of any tax;
 - (b) foreign exchange, import and export across customs frontiers;
 - (c) industrial and labour disputes;
 - (d) land reforms by way of acquisition by the State of any estate as defined in article 31A or of any rights therein or the extinguishment or modification of any such rights or by way of ceiling on agricultural land or in any other way;
 - (e) ceiling on urban property;
 - (f) elections to either House of Parliament or the House or either House of the Legislature of a State, but excluding the matters referred to in article 329 and article 329A;
 - (g) production, procurement, supply and distribution of foodstuffs (including edible oilseeds and oils) and such other goods as the President may, by public notification, declare to be essential goods for the purpose of this article and control of prices of such goods;
 - (h) rent, its regulation and control and tenancy issues including the rights, title and interest of landlords and tenants;
 - (i) offences against laws with respect to any of the matters specified in sub-clauses (a) to (h) and fees in respect of any of those matters;
 - (j) any matter incidental to any of the matters specified in sub-clauses (a) to (i).
- (3) A law made under clause (1) may-
- (a) provide for the establishment of a hierarchy of tribunals;

(b) specify the jurisdiction, powers (including the power to punish for contempt) and authority which may be exercised by each of the said tribunals;

(c) provide for the procedure (including provisions as to limitation and rules of evidence) to be followed by the said tribunals;

(d) exclude the jurisdiction of all courts except the jurisdiction of the Supreme Court under article 136, with respect to all or any of the matters falling within the jurisdiction of the said tribunals;

(e) provide for the transfer to each such tribunal of any cases pending before any court or any other authority immediately before the establishment of such tribunal as would have been within the jurisdiction of such tribunal if the causes of action on which such suits or proceedings are based had arisen after such establishment;

(f) contain such supplemental, incidental and consequential provisions (including provisions as to fees) as the appropriate Legislature may deem necessary for the effective functioning of, and for the speedy disposal of cases by, and the enforcement of the orders of, such tribunals.

(4) The provisions of this article shall have effect notwithstanding anything in any other provision of this Constitution or in any other law for the time being in force.

Explanation.—In this article, "appropriate Legislature", in relation to any matter, means Parliament or, as the case may be, a State Legislature competent to make laws with respect to such matter in accordance with the provisions of Part XI."

Insofar as the aforesaid provision is concerned it was submitted, that Clause (3) of Article 323B clearly violated all the above mentioned ingredients of the "basic structure" theory. In this behalf it was sought to be asserted, that establishment of a hierarchy of tribunals implicitly led to the inference, that the existing judicial process, where adjudication was before a court of law, was to be substituted in its entirety. Thereby, even the existing appellate process which was vested in High Courts was sought to be substituted by tribunals. It was submitted, that creation of a parallel judicial system, was alien to the provisions of the Constitution, which recognized the judiciary as an independent component, separate from the executive and the legislature. It was accordingly vehemently

asserted, that the process of justice was being substituted, by tribunalization of justice, which was clearly unacceptable under the Constitution. Sub-clause (d) of Article 323B(3), according to the learned counsel for the petitioners, divested jurisdiction vested in all civil courts for the adjudication of the matters on the subjects referred to in Article 323B(2), including not only the appellate jurisdiction of High Courts, but also, the power of "judicial review" vested in High Courts under Articles 226 and 227, of the Constitution. It was also the contention of the learned counsel for the petitioners, that despite decisions rendered by this Court, the legislature has repeated and reiterated what had been found to be unsustainable in law.

28. While canvassing the aforesaid contention learned counsel for the petitioners pointed out, that the above mentioned Article 323B was introduced by the Constitution (Forty-second Amendment) Act, 1976, which was part of an overall scheme, to drastically curtail the power of "judicial review" vested with the higher judiciary. It was pointed out, that all other objectionable provisions were deleted, and powers earlier vested in superior courts were restored. However, Part XIV A of the Constitution, inserting Articles 323A and 323B was allowed to remain. It was submitted that Articles 323A and 323B, enabled the creation of parallel judiciary under executive control. In order to support his aforesaid contention, learned counsel invited the Court's attention to the expressions "adjudication or trial", "disputes, complaints or offences", "transfer of suits or proceedings", etc. which could be fashioned in a manner different from that which presently prevailed. It was pointed out, that the aforesaid mandate contained

in Article 323B of the Constitution, was incompatible with the "basic structure" of the Constitution, which mandates "separation of powers".

29. In view of the aforementioned submissions, it was the vehement contention of the learned counsel for the petitioners, that Article 323B(4) should be struck down. It was submitted, that if the instant prayer of the petitioners does not find favour with this Court, the alternative prayer of the petitioners was, that Article 323B must be purposefully interpreted, so as to bestow equivalence commensurate to the Court sought to be substituted by the tribunal. It was submitted, that it was imperative to provide for measures to ensure independence in the functioning of tribunals substituting functions carried out by courts. This could be done, according to learned counsel for the petitioners, by extending the conditions of service applicable to judges of the court sought to be substituted. In order to support his aforestated contention, learned counsel for the petitioners placed reliance on judgments rendered by this Court, laying down the limits and parameters within which such tribunals could be created. Despite the declaration of law by this Court it was submitted, that the NTT Act, has been enacted, which suffers from the same vices, which had already been found to be unconstitutional. For reasons of brevity, it is considered inappropriate, to refer to all the judgments relied upon by the rival parties on the instant issue. Suffice it to state, that the same will be examined, only while recording conclusions.

The fourth contention:

30. While advancing the fourth contention, learned counsel for the petitioners referred to various provisions of the NTT Act, which would have the effect of

compromising the independence of the NTT. We may briefly refer to the provisions of the said Act, highlighted by the learned counsel for the petitioners, during the course of hearing, as under:-

(i) First and foremost, reference was made to Section 5 of the NTT Act. The same is being extracted hereunder:-

"5. Constitution and jurisdiction of Benches- (1) the jurisdiction of the National Tax Tribunal may be exercised by the Benches thereof to be constituted by the Chairperson.

(2) The Benches of the National Tax Tribunal shall ordinarily sit at any place in the National Capital Territory of Delhi or such other places as the Central Government may, in consultation with the Chairperson, notify:

Provided that the Chairperson may for adequate reasons permit a Bench to hold its temporary sitting for a period not exceeding fifteen days at a place other than its ordinary place of seat.

(3) The Central Government shall notify the areas in relation to which each bench of the National Tax Tribunal may exercise its jurisdiction.

(4) The Central Government shall determine the number of Benches and each Bench shall consist of two members.

(5) The Central Government may transfer a Member from headquarters of one Bench in one State to the headquarters of another Bench in another State or to the headquarters of any other Bench within a State:

Provided that no member shall be transferred without the concurrence of the Chairperson."

Referring to sub-section (2) of Section 5 it was sought to be asserted, that benches of the NTT are ordinarily to function in the National Capital Territory of Delhi. This, according to the learned counsel for the petitioners, would deprive the litigating assessee, the convenience of approaching the High Court of the State to which he belongs. In this behalf it was sought to be asserted, that in every tax related dispute, there is an assessee on one side, and the Revenue on the other. Accordingly, if the NTT is mandated to sit ordinarily in the National Capital Territory of Delhi, assesseees from far flung States would have to suffer extreme hardship for the redressal of their grievance, especially at the appellate

stage. Besides the hardships, it was pointed out, that each assessee would be subjected to unfathomable financial expense. Referring to sub-section (5) of Section 5 of the NTT Act, it was the submission of the learned counsel for the petitioners, that the Central Government was vested with the power to transfer a Member from the headquarters of one bench in one State, to the headquarters of another bench in another State. It was also open to the Central Government to transfer a Member from one bench to another bench in the same State. It was submitted, that in case of High Courts, such power is exercised exclusively by the Chief Justice, in the best interest of the administration of justice. It was submitted, that the Central Government, which is a stakeholder, could exercise the above power of transfer for harassment and exploitation of sitting Members of the NTT. In other words, an inconvenient Member could be moved away, and replaced by one who would tow the desired line.

(ii) Likewise, learned counsel for the petitioners referred to Section 6 of the NTT Act to demonstrate, that the same would also have an undermining effect on the adjudicatory process. Section 6 of the NTT Act is reproduced hereunder:-

- “6. Qualifications for appointment of Chairperson and other Members –
- (1) The Chairperson of the National Tax Tribunal shall be a person who has been a Judge of the Supreme Court or the Chief Justice of a High Court.
- (2) A person shall not be qualified for appointment as Member unless he-
- (a) is, or has been, or is eligible to be, a Judge of a High Court; or
- (b) is, or has been, a Member of the Income-tax Appellate Tribunal or of the Customs, Excise and Service Tax Appellate Tribunal for at least five years.”

Learned counsel for the petitioners pointed out, that sub-section (2), aforementioned, laid down the qualifications for appointment as Member of the

NTT. Referring to clause (a) of sub-section (2) of Section 6 of the NTT Act it was submitted, that a person who is eligible to be a judge of a High Court, is to be treated as eligible as a member of the NTT. Inviting our attention to Article 217 of the Constitution it was submitted, that a person who is a citizen of India and has, for at least 10 years, practiced as an Advocate before one or the other High Court, has been treated as eligible for being appointed as a Member of the NTT. Referring to Section 8 of the NTT Act it was pointed out, that a Member of the NTT is provided with a tenure of five years, from the date of his appointment as Member of the NTT. It was pointed out, that in terms of Article 217 of the Constitution, a person would easily become eligible for appointment as a judge at or around the age of 35-40 years, and as such, if he is assured a tenure of only five years, it would not be possible for him to discharge his duties without fear or favour, inasmuch as, he would always have a lurking uncertainty in his mind about his future, after the expiry of the prescribed term of five years, in the event of not being granted an extension. Relying on clause (b) of Section 6(2) of the NTT Act, it was also the submission of the learned counsel for the petitioners, that Members of the Appellate Tribunals constituted under the Income Tax Act, the Customs Act, and the Excise Act, are also eligible for being appointed as Members of the NTT. In this behalf it was sought to be asserted, that there are Accountant Members of the Income Tax Appellate Tribunal, who too would become eligible for appointment as Members of the NTT. It was submitted, that judicial experience on the niceties of law, specially on the different aspects, which need to be dealt with while adjudicating tax matters, would be alien to

them, inasmuch as they can only be experts on the subject of accountancy. It was pointed out, that the jurisdiction vested in the NTT, is an alternative jurisdiction to that of the High Court, and as such, it is difficult to appreciate how an Accountant Member of the Income Tax Appellate Tribunal can be expected to discharge duties relating to settling substantial questions of law in the manner judges of the High Court dispense with the aforesaid responsibilities.

(iii) Learned counsel for the petitioners then invited our attention to Section 7 of the NTT Act. The said section is reproduced hereunder:-

"7. Appointment of Chairperson and other Members - (1) Subject to the provisions of sub-section (2), the Chairperson and every other Member shall be appointed by the Central Government.

(2) The Chairperson and the other Members shall be appointed by the Central Government on the recommendations of a Selection Committee consisting of-

(a) the Chief Justice of India or a Judge of the Supreme Court nominated by him;

(b) the Secretary in the Ministry of Law and Justice (Department of Legal Affairs);

(c) the Secretary in the Ministry of Finance (Department of Revenue).

(3) No appointment of the Chairperson or of any other Member shall be invalidated merely by reason of any vacancy or any defect in the constitution of the Selection Committee."

A perusal of sub-section (2) of Section 7 reveals the composition of the selection committee for selection of the Chairperson and Members of the NTT. It was sought to be pointed out, that there were two representatives of the executive, out of three member selection committee, and only one member in the selection committee was from the judiciary. Accordingly it was asserted, that the two representatives belonging to the executive would control the outcome of every selection process. Since the NTT was, an alternative to the jurisdiction earlier

vested with the High Court, it was submitted, that the same process of selection, as was prevalent for appointment of judges of the High Court, should be adopted for selection of Chairperson and Members of the NTT. All that is imperative and essential is, that the selection process should be the same, as is in place, for the court sought to be substituted. It was also the contention of the learned counsel for the petitioners, that a provision similar to Section 7(2) of the NTT Act, had been struck down by this Court, in State of Maharashtra v. Labour Law Practitioners' Association (supra).

(iv) Learned counsel for the petitioners then invited our attention to Section 8 of the NTT Act. Section 8 is being reproduced hereunder:-

"8. Terms of office of Chairperson and other Members - The Chairperson and every other Member shall hold office as such for a term of five years from the date on which he enters upon his office but shall be eligible for re-appointment:

Provided that no Chairperson or other Member shall hold office as such after he has attained, -

- (a) in the case of Chairperson, the age of sixty-eight years; and
- (b) in the case of any other Member, the age of sixty-five years."

According to learned counsel, a perusal of Section 8 reveals, that a Chairperson and a Member of the NTT would hold office for a term of five years, from the date of his/her appointment to the NTT. It was, however sought to be pointed out, that a person appointed as such, is clearly eligible for reappointment. It was sought to be asserted, that a provision for reappointment, would itself have the effect of undermining the independence of the Members of the NTT. It was sought to be asserted, that each one of the appointees to the NTT would be prompted to appease the Revenue, so as to solicit reappointment contemplated under Section 8 of the NTT Act. In this behalf it was submitted, that the tenure of

appointment to a tribunal, which is to substitute a High Court, should be akin to that of a judge of High Court.

(v) Our attention was then invited to Section 13 of the NTT Act, which is reproduced hereunder:-

"13. Appearance before National Tax Tribunal - (1) A party to an appeal other than Government may either appear in person or authorize one or more chartered accountants or legal practitioners to present his or its case before the National Tax Tribunal.

(2) The Government may authorize one or more legal practitioners or any of its officers to present its case before the National Tax Tribunal.

Explanation – For the purposes of this Section,-

(a) "chartered accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

(b) "legal practitioner" means an advocate, a vakil or any attorney of any High Court, and includes a pleader in practice."

It was submitted, that besides allowing the assessee to represent himself before the NTT, Section 13 allows him to be represented through one or more Chartered Accountants or legal practitioners. Thus far, according to learned counsel for the petitioners, there seemed to be no difficulty in Section 13(1) of the NTT Act. However, allowing "any person duly authorized" by the assessee to represent him before the NTT, is clearly understandable. It was submitted, that the main function of the NTT would be to settle substantial questions of law on tax issues, and as such, under Section 13(1), it would be open to an assessee to engage an individual to represent him, even though he is totally unqualified in the fields on which the adjudicatory process is to be conducted. Likewise, it is the contention of the learned counsel for the petitioners, besides legal practitioners, the Revenue is allowed to be represented through any of its

officers. It was sought to be asserted, that an understanding of the text of the provision is one thing, whereas interpreting it in the contemplated context, quite another. As such, it was submitted, that officers of the Revenue, who lack in interpretative skills, would be wholly unsuited for representing the Revenue before the NTT.

Submissions in opposition, by the respondents/interveners:

The first contention:

31. In response to the first contention, namely, that the reasons for setting up the NTT were fallacious and non-existent, and as such, the legislative enactment under reference creating the NTT as an independent appellate forum to decide appeals on "substantial questions" of law, from orders passed by the Appellate Tribunals constituted under the Income Tax Act, the Customs Act, and the Excise Act deserves to be set aside; it was the contention of the learned counsel for the respondents, that the submissions advanced at the hands of the petitioners, were premised on an improper understanding of the factual background. In this behalf, it is sought to be asserted, that the tax receipts are the primary source of revenue in India. The Government of India meets its budgetary requirements from revenue receipts. It is sought to be explained, that tax is collected by an established administrative and legal structure. On the one hand, while fastening of a tax liability would reduce the profits of an assessee, it would enhance the revenue receipts of the Government. On the other hand, exemption from a tax

liability would increase profits of an assessee, but would reduce the revenue receipts of the Government. In view of the above profit and loss scenario, administration of tax loss, has an inherent tendency to result in disputes and litigation. The process of litigation is primarily based on adoption of innovative means of interpretation of law, both by the revenue and by the tax payers. As a result, significant amount of time is spent, on long drawn litigation, wherein tax payers and the Government lock horns against one another. Naturally, this impacts revenue earnings as levy of tax of thousands of crores of rupees, remains embroiled in such litigation. It was sought to be pointed out, that as per the Centre for Monitoring Indian Economy Database, Indian companies have a vast amount locked in disputed taxes. As per the above report, during the Financial Year 2011-2012; 30 companies that make up the Bombay Stock Exchange sensx, had money locked in disputed taxes estimated at Rs.42,388 crores. The above disputed tax liability, according to the learned counsel for the respondents, was a 27% increase from the amount of the preceding year, which was estimated at Rs.33,339 crores.

32. In respect of disputes on direct taxes, it was submitted, that in a written reply submitted by the Minister of State for Finance, the Lok Sabha was informed in April, 2012, that 5,943 tax cases were pending with the Supreme Court, and 30,213 direct tax cases were pending with High Courts. It was submitted that the Lok Sabha was additionally informed, that the disputed amount of tax, at various levels, was estimated at Rs.4,36,741 crores, as on 31.12.2011. It was further sought to be asserted, that in the preceding year, the estimate in respect of the

disputed amount at various levels, was to the tune of Rs.2,43,603 crores. Accordingly it was sought to be pointed out, that with each succeeding year, not only the tax related litigation was being progressively enhanced, there was also a significant increase in the finance blocked in such matters.

33. It was likewise pointed out, that the number of cases involving levy of indirect taxes, projected a similar unfortunate reflection. In this behalf, it was sought to be pointed out, that as on 31.12.2012, the number of pending customs disputes were approximately 17,800, wherein an amount of approximately Rs.7,400 crores was involved. Insofar as the number of pending central excise cases as on 31.10.2012 is concerned, the figure was approximately 19,800 and the amount involved was approximately Rs.21,450 crores. By adding the figures reflected hereinabove, in respect of the disputes pertaining to indirect taxes, it was suggested that a total of about 37,600 cases were pending, involving an amount of approximately Rs.28,850 crores. Additionally it was submitted, that out of the 17,800 customs cases, approximately 6,300 cases had been pending for adjudication for periods ranging from one to three years, and approximately 2,800 customs cases had been pending adjudication for over three years. Likewise, out of the 19,800 central excise cases, 1,600 cases were pending for decision for a period between one to three years; and 240 cases had been pending for decision for over three years.

34. It was pointed out at the behest of the respondents, that several reasons contributed to the prolonged continuation of tax disputes. The main reason however was, that there was a lack of clarity in law in tax litigation. It was

submitted, that the above lack of clarity resulted in multiple interpretations. Added to that, according to the learned counsel for the respondents, existence of multiple appellate levels, and independent jurisdictional High Courts, resulted in the existence of conflicting opinions at various appellate forums across the country, contributing in unfathomable delay and multiplicity of proceedings.

35. Based on the factors narrated above, it was the submission of the learned counsel for the respondents, that the burden of high volume of disputes had had the effect of straining the adjudicatory, as well as, the judicial system. It was pointed out, that the judicial system was already heavily burdened by the weight of significant number of unresolved cases. It was submitted, that the addition of cases each year, added not only to the inconvenience of the taxpayer, but also to the revenue earned by the government. It was pointed out, that the instant state of affairs created an uncertain and destabilized business environment, with taxpayers not being able to budget, for tax costs. Importantly such uncertainty, according to the learned counsel, emerged out of the two factors. Firstly, the law itself was complex, and therefore, uncertain. And secondly, for an interpretation of the law to achieve a degree of certainty at the Supreme Court level, required several rounds of litigation. It was submitted, that in view of the above, the current scenario called for reforms in the dispute resolution mechanism, and the introduction of, conscious practices and procedures, aimed at limiting the initiation, as well as, the prolongation of tax disputes. It is, therefore, the submission of the learned counsel for the respondents, that the assertions made

at the hands of the petitioners, while projecting the first contention, were wholly misconceived, and as such, are liable to be rejected.

The second contention:

36. In response to the second contention, namely, that it is impermissible for the legislature to abrogate the core judicial appellate functions, traditionally vested with the High Court, or that it is impermissible to vest the same with an independent, parallel quasi-judicial hierarchy of tribunals, it was submitted, that the petitioners had not been able to appreciate the matter in its correct perspective. It was pointed out, that the NTT Act is a legislation which creates an appellate forum, in a hierarchy of fora, as a remedy for ventilation of grievances emerging out of taxing statutes. To fully appreciate the purport of the special remedy created by the statute, the nature of the right and/or the liability created by the taxing statutes, and the enforcement for which these remedies have been provided, needed to be understood in the correct perspective. Accordingly, in order to debate the rightful cause, learned counsel drew our attention to the proposition, in the manner, as was understood by the respondents. The submissions advanced in this behalf are being summarized hereinafter.

37. It was the contention of the learned counsel for the respondents, that the Income Tax Act, the Customs Act, and the Excise Act, as also, other taxing statutes create a statutory liability. The said statutory liability has no existence, *de hors* the statute itself. The said statutory liability, has no existence in common law. It was further submitted, that it had been long well settled, that where a right to plead liability had no existence in common law, but was the creation of a

statute, which simultaneously provided for a special and particular remedy for enforcing it, the remedy provided by the statute was bound to be followed. In respect of such statutory liability, it was not competent for the party to proceed, by action at common law. In this behalf, our attention was invited to the observations recorded by this Court in *Dhulabhai v. State of M.P.* (1968) 3 SCR 662 wherein the Court observed as under:

"9. The question that arises in these appeals has been before this Court in relation to other statutes and has been answered in different ways. These appeals went before a Divisional Bench of this Court but in view of the difficulty presented by the earlier rulings of this Court, they were referred to the Constitution Bench and that is how they are before us. At the very start we may observe that the jurisdiction of the Civil Courts is all embracing except to the extent it is excluded by an express provision of law or by clear intendment arising from such law. This is the purport of Section 9 of the Code of Civil Procedure. How Section 9 operates is perhaps best illustrated by referring to the categories of cases, mentioned by Willes, J. in *Wolverhampton New Waterworks Co. v. Hawkesford*, [1859] 6 C.B. (NS) 336 - They are :

"One is where there was a liability existing at common law, and that liability is affirmed by a statute which gives a special and peculiar form of remedy different from the remedy which existed at common law: there, unless the statute contains words which expressly or by necessary implication exclude the common law remedy the party suing has his election to pursue either that or the statutory remedy. The second class of cases is, where the statute gives the right to sue merely, but provides, no particular form of remedy: there, the party can only proceed by action at common law. But there is a third class, viz., where a liability not existing at common law is created by a statute which at the same time gives a special and particular remedy for enforcing it.....The remedy provided by the statute must be followed and it is not competent to the party to pursue the course applicable to cases of the second class."

This view of Willes, J. was accepted by the House of Lords in *Neville v. London 'Express' Newspaper Ltd.*, [1919] A.C. 368.

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35. Neither of the two cases of *Firm of Illuri Subayya* or *Kamla Mills* can be said to run counter to the series of cases earlier noticed. The result of this inquiry into the diverse views expressed in this Court may be stated as follows :-

(1) Where the statute gives a finality to the orders of the special tribunals the Civil Courts' jurisdiction must be held to be excluded if there is adequate remedy to do what the Civil Courts would normally do in a suit. Such provision, however, does not exclude those cases where the provisions of the particular Act have not been complied with or the statutory tribunal has not acted in conformity with the fundamental principles of judicial procedure.

(2) Where there is an express bar of the jurisdiction of the court, an examination of the scheme of the particular Act to find the adequacy or the sufficiency of the remedies provided may be relevant but is not decisive to sustain the jurisdiction of the civil court.

Where there is no express exclusion the examination of the remedies and the scheme of the particular Act to find out the intendment becomes necessary and the result of the inquiry may be decisive. In the latter case it is necessary to see if the statute creates a special right or a liability and provides for the determination of the right or liability and further lays down that all questions about the said right and liability shall be determined by the tribunals so constituted, and whether remedies normally associated with actions in Civil Courts are prescribed by the said statute or not.

(3) Challenge to the provisions of the particular Act as ultra vires cannot be brought before Tribunals constituted under that Act. Even the High Court cannot go into that question on a revision or reference from the decision of the Tribunals.

(4) When a provision is already declared unconstitutional or the constitutionality of any provision is to be challenged, a suit is open. A writ of certiorari may include a direction for refund if the claim is clearly within the time prescribed by the Limitation Act but it is not a compulsory remedy to replace a suit.

(5) Where the particular Act contains no machinery for refund of tax collected in excess of constitutional limits or illegally collected a suit lies.

(6) Questions of the correctness of the assessment apart from its constitutionality are for the decision of the authorities and a civil suit does not lie if the orders of the authorities are declared to be final or there is an express prohibition in the particular Act. In either case the scheme of the particular Act must be examined because it is a relevant enquiry.

(7) An exclusion of the jurisdiction of the Civil Court is not readily to be inferred unless the conditions above set down apply."

38. In addition to the above submissions, it was sought to be asserted that the Income Tax Act expressly barred the jurisdiction of civil courts. Reference in this

behalf was made to Section 293 of the Income Tax Act, which is being extracted hereunder:

"293. Bar of suits in civil courts. – No suit shall be brought in any civil court to set aside or modify any proceeding taken or order made under this Act, and no prosecution, suit or other proceeding shall lie against the Government or any officer of the Government for anything in good faith done or intended to be done under this Act."

39. It has been further held by this Court following the dictum at *Barraclough v. Brown* (1897) AC 615, that if a statute confers a right and in the same breath provides for enforcement of such right the remedy provided by such a statute is an exclusive one. Applying this doctrine, in *Premier Automobiles v. Kamlekar Shantaram Wadke*, (1976) 1 SCC 496 at 513, this Court held as under:

"23. To sum up, the principles applicable to the jurisdiction of the Civil Court in relation to an industrial dispute may be stated thus:

(1) If the dispute is not an industrial dispute, nor does it relate to enforcement of any other right under the Act the remedy lies only in the civil Court.

(2) If the dispute is an industrial dispute arising out of a right or liability under the general or common law and not under the Act, the jurisdiction of the civil Court is alternative, leaving it to the election of the suitor concerned to choose his remedy for the relief which is competent to be granted in a particular remedy.

(3) If the industrial dispute relates to the enforcement of a right or an obligation created under the Act, then the only remedy available to the suitor is to get an adjudication under the Act.

(4) If the right which is sought to be enforced is a right created under the Act such as Chapter VA then the remedy for its enforcement is either Section 33C or the raising of an industrial dispute, as the case may be."

In paragraph 12 of the *Premier Automobiles* case (*supra*), this Court quoted the words of Lord Watson in *Barraclough v. Brown* (*supra*) to the following effect:

"the right and the remedy are given *uno flatu* and the one cannot be disassociated from the other"

40. It is for this reason, according to learned counsel for the respondents, that civil courts, even the High Court having original jurisdiction, would not entertain suits on matters covered by such special statutes creating rights and providing remedies. [See *Argosam Finance Co. Ltd. v. Oxby* (1964) 1 All E.R. 791 at 796-H].

"The principle underlying those passages seem to me to be applicable to the present case Section 341 of the Income Tax Act, 1952, confers the right, the right to an adjustment tax liability by reference to loss; that right does not exist independently of the section; the section *uno fiat* in the breath gives a specific remedy and appoints a specific tribunal for its enforcement, namely the General Commission or Special Commissioners. In those circumstances in my judgment, the taxpayer must resort to that remedy and that tribunal. In due course if dissatisfied with the decision of the commissioners concerned he can appeal to the high court by way Case Stated, but any original jurisdiction of the high court by declaration or otherwise, is, in my judgment, excluded."

The contentions of the petitioners, that substituting Section 260A of the Income Tax Act and divesting the High Court of the appellate remedy and vesting it in the NTT, is unconstitutional as it constitutes an inroad into the principles of the rule of law and independence of judiciary, according to learned counsel, are fallacious.

41. According to the learned counsel for the respondents, the fallacy in the petitioners' argument is, that they are overlooking the fact that as far as the NTT Act is concerned, there is no common law remedy which has now been divested. Section 260A of the Income Tax Act and Section 35(g), (h), (i) of the Excise Act were all statutorily vested appeals, in the High Court, and as such, as has been held in the above mentioned cases can be completely divested. According to learned counsel, the NTT Act, was on a surer and sounder footing, than the provisions of the Companies Act, which came up for consideration in *Union of*

India v. Madras Bar Association, (2010) 11 SCC 87. Accordingly, as no common law remedy has been substituted under the present Act, it was submitted, that the contentions advanced on behalf of the petitioners had no legs to stand. Even when the Companies Act set up, the Company Law Tribunal and the Company Law Appellate Tribunal, substituting the jurisdiction of the High Courts, this Court in Union of India v. Madras Bar Association (supra), held that the said provisions were valid and were not unconstitutional. This Court held as under:

"87. The Constitution contemplates judicial power being exercised by both courts and tribunals. Except the powers and jurisdictions vested in superior courts by the Constitution, powers and jurisdiction of courts are controlled and regulated by Legislative enactments. The High Courts are vested with the jurisdiction to entertain and hear appeals, revisions and references in pursuance of provisions contained in several specific legislative enactments. If jurisdiction of the High Courts can be created by providing for appeals, revisions and references to be heard by the High Courts, jurisdiction can also be taken away by deleting the provisions for appeals, revisions or references. It also follows that the legislature has the power to create tribunals with reference to specific enactments and confer jurisdiction on them to decide disputes in regard to matters arising from such special enactments. Therefore it cannot be said that legislature has no power to transfer judicial functions traditionally performed by courts to tribunals."

88. The argument that there cannot be "whole-sale transfer of powers" is misconceived. It is nobody's case that the entire functioning of courts in the country is transferred to tribunals. The competence of the Parliament to make a law creating tribunals to deal with disputes arising under or relating to a particular statute or statutes cannot be disputed. When a Tribunal is constituted under the Companies Act, empowered to deal with disputes arising under the said Act and the statute substitutes the word "tribunal" in place of "the High Court" necessarily there will be "whole-sale transfer" of company law matters to the tribunals. It is an inevitable consequence of creation of a tribunal, for such disputes, and will no way affect the validity of the law creating the tribunal."

42. Similarly, statutory provisions providing for a revision to the District Judge, with the finality clauses, have been interpreted to exclude the revisionary powers

of the High Court under Section 115 of CPC. In this behalf reference was made to, *Aundal Ammal v. Sadasivan Pilai*, (1987) 1 SCC 183, wherein it was held as under:

"15. Under the scheme of the Act it appears that a landlord who wants eviction of his tenant has to move for eviction and the case has to be disposed of by the Rent Control Court. That is provided by Sub-section(2) of Section 11 of the Act. From the Rent Control Court, an appeal lies to the Appellate Authority under the conditions laid down under Sub-section (1)(b) of Section 18 of the Act. From the Appellate Authority a revision in certain circumstances lies in case where the appellate authority is a Subordinate Judge to the District Court and in other cases to the High Court. In this case as mentioned hereinbefore the appeal lay from Rent Control Court to the appellate authority who was the Subordinate Judge and therefore the revision lay to the District Judge. Indeed it is indisputed that the respondent has in this case taken resort to all these provisions. After the dismissal of the revision by the District Judge from the appellate decision of the Subordinate Judge who confirmed the order of the Rent Controller, the respondent-landlord chose again to go before the High Court under Section 115 of the CPC. The question, is, can he have a second revision to the High Court? Shri Poti submitted that he cannot. We are of the opinion that he is right. This position is clear if Sub-section (5) of Section 18 of the Act is read in conjunction with Section 20 of the Act. Sub-section (5) of Section 18, as we have noted hereinbefore, clearly stipulates that the decision of the appellate authority and subject to such decision, an order of the Rent Controller 'shall be final' and 'shall not be liable to be called in question in any court of law', except as provided in Section 20. By Section 20, a revision is provided where the appellate authority is Subordinate Judge to the District Judge and in other cases, that is to say, where the appellate authority is District Judge, to the High Court. The ambits of revisional powers are well-settled and need not be re-stated. It is inconceivable to have two revisions. The scheme of the Act does not warrant such a conclusion. In our opinion, the expression 'shall be final' in the Act means what it says.

20. The learned judge referred to the decision of the Judicial Committee in the case of *Maung Ba Thaw and Anr.—Insolvents v. Ma Pin*, AIR 1934 PC 81. The learned judge also referred to a decision of this Court in *South Asia Industries (P) Ltd. v. S.B. Sarup Singh and Ors.* (supra). The learned judge concluded that so long as there was no specific provision in the statute making the determination by the District Court final and excluding the supervisory power of the High Court under Section 115 of the CPC, it had to be held that the decision rendered by the District Court under Section 20(1) of the Act being a decision of a court subordinate to the High

Court to which an appeal lay to the High Court was liable to be revised by the High Court under Section 115 of the CPC. In that view of the matter, the Full Bench rejected the view of the division bench of the Kerala High Court in Kurien v. Chacko [1960] KLT 1248. With respect, we are unable to sustain the view of the Full Bench of the High Court on this aspect of the matter. In our opinion, the Full Bench misconstrued the provisions of subsection (5) of Section 18 of the Act. Sub-section (5) of Section 18 clearly states that such decision of the appellate authority as mentioned in Section 18 of the Act shall not be liable to be questioned except in the manner under Section 20 of the Act. There was thereby an implied prohibition or exclusion of a second revision under Section 115 of the CPC to the High Court when a revision has been provided under Section 20 of the Act in question. When Section 18(5) of the Act specifically states that "shall not be liable to be called in question in any Court of law" except in the manner provided under Section 20, it cannot be said that the High Court which is a court of law and which is a civil court under the CPC under Section 115 of the CPC could revise again an order once again after revision under Section 20 of the Act. That would mean there would be a trial by four courts, that would be repugnant to the scheme manifest in the different sections of the Act in question. Public policy or public interest demands curtailment of law's delay and justice demands finality within quick disposal of case. The language of the provisions of Section 18(5) read with Section 20 inhibits further revision. The courts must so construe."

Likewise, our attention was invited to Jetha Bai and Sons v. Sunderdas Rathenai (1988) 1 SCC 722, and reliance was placed on the following:

"15. Even without any discussion it may be seen from the narrative given above that there is really no conflict between the two decisions because the provisions in the two Acts are materially different. However, to clarify matters further we may point out the differences between the two Acts in greater detail and clarity. Under the Kerala Act, against an order passed by a Rent Control Court presided over by a District Munsif, the aggrieved party is conferred a right of appeal under Section 18. The Appellate Authority has to be a judicial officer not below the rank of a subordinate Judge. The appellate Authority has been conferred powers co-extensive with those of the Rent Control Court but having over-riding effect. Having these factors in mind, the Legislature has declared that in so far as an order of a Rent Control Court is concerned it shall be final subject only to any modification or revision by an Appellate Authority, and in so far as the Appellate Authority is concerned, its decision shall be final and shall not be liable to be called in question in any Court of law except as provided in Section 20. As regards Section 20, a division of the powers of revision

exercisable thereunder has been made between the High Court and the District Court. In all those cases where a revision is preferred against a decision of an Appellate Authority of the rank of a Subordinate Judge under Section 18, the District Judge has been constituted the revisional authority. It is only in other cases i.e. where the decision sought to be revised is that of a judicial officer of a higher rank than a Subordinate Judge, the High Court has been constituted the Revisional authority. The revisional powers conferred under Section 20, whether it be on the District Judge or the High Court as the case may be are of greater amplitude than the powers of revision exercisable by a High Court under Section 115 Code of Civil Procedure Under Section 20 the Revisional Authority is entitled to satisfy itself about the legality regularity, or propriety of the orders sought to be revised. Not only that, the Appellate Authority and the Revisional Authority have been expressly conferred powers of remand under Section 20A of the Act. Therefore, a party is afforded an opportunity to put forth his case before the Rent Control Court and then before the Appellate Authority and there after if need be before the Court of Revision viz. the District Court if the Appellate Authority is of the rank of a Subordinate Judge. The Legislature in its wisdom has thought that on account of the ample opportunity given to a party to put forth his case before three courts, viz. the Trial Court, the Appellate Court and the Revisional Court, there was no need to make the revisional order of the District Court subject to further scrutiny by the High Court by means of a second revision either under the Act or under the Code of Civil Procedure. It has been pointed out in Aundal Ammal's case (supra) that the full Bench of the Kerala High Court had failed to construe the terms of Section 20 read with Section 18(5) in their proper perspective and this failing had effected its conclusion According to the Full Bench, a revisional order of a District Court under Section 20 laid itself open for further challenge to the High Court under Section 115 Code of Civil Procedure because of two factors viz. (1) there was no mention in the Act that the order would be final and (2) there was no provision in the Act for an appeal being filed against a revisional order under Section 20. The full Bench failed to notice certain crucial factors. In the first place, Section 20 is a composite section and refers to the powers of revision exercisable under that Section by a District Judge as well as by the High Court. Such being the case if it is to be taken that an order passed by a District Court under Section 20 will not have finality because the Section does not specifically say so, then it will follow that a revisional order passed by the High Court under Section 20 (1) also will not have finality Surely it cannot be contended by anyone that an order passed by a High Court in exercise of its powers of revision under Section 20 (1) can be subjected to further revision because Section 20(1) has not expressly conferred finality to an order passed under that Section. Secondly, the terms of Section 20 (1) have to be read in conjunction with Section 18(5). Section 18(5) as

already seen, declares that an order of a Rent Control Court shall be final subject to the decision of the Appellate Authority and an order of an Appellate Authority shall be final and shall not be liable to be called in question in any court of law except as provided for in Section 20. When the Legislature has declared that even an order of the Rent Control Court and the decision of the Appellate Authority shall be final at their respective stages unless the order is modified by the Appellate Authority or the Revisional Authority as the case may be, there is no necessity for the legislature to declare once ever again that an order passed in revision under Section 20(1) by the District Judge or the High Court as the case may be will also have the seal of finality. The third aspect is that the Legislature has not merely conferred finality to the decision of an Appellate Authority but has further laid down that the decision shall not be liable to be called in question in any court of law except as provided for in Section 20. These additional words clearly spell out the prohibition or exclusion of a second revision under Section 115 Code of Civil Procedure to the High Court against a revisional order passed by a District Court under Section 20 of the Act. This position has been succinctly set out in para 20 of the judgment in Aundal Ammal's case (supra). As was noticed in Vishesh Kumar's case, the intent behind the bifurcation of the jurisdiction is to reduce the number of revision petitions filed in the High Court and for determining the legislative intent, the Court must as far as possible construe a statute in such a manner as would advance the object of the legislation and suppress the mischief sought to be cured by it."

43. Most importantly, a nine-Judge constitution bench judgment of this Court, in *Mafatlal Industries v. Union of India* (1997) 5 SCC 536, while dealing with the validity of Section 11B(3) of the Excise Act, held as follows:

"77. Hereinbefore, we have referred to the provisions relating to refund obtaining from time to time under the Central Excise and Salt Act. Whether it is Rule 11 (as it stood from time to time) or Section 11-B (as it obtained before 1991 or subsequent thereto), they invariably purported to be exhaustive on the question of refund. Rule 11, as in force prior to August 6, 1977, stated that "no duties and charges which have been paid or have been adjusted...shall be refunded unless the claimant makes an application for such refund under his signature and lodges it to the proper officers within three months from the date of such payment or adjustment, as the case may be". Rule 11, as in force between 6.8.1977 and 17.11.1980 contained Sub-rule (4) which expressly declared : "(4) Save as otherwise provided by or under this rule, no claim of refund of any duty shall be entertained". Section 11-B, as in force prior to April, 1991 contained Sub-section (4) in identical words. It said : "(4) Save as otherwise provided by or under this Act, no claim for refund of any duty of

excise shall be entertained". Sub-section (5) was more specific and emphatic. It said:

"Notwithstanding anything contained in any other law, the provisions of this Section shall also apply to a claim for refund of any amount collected as duty of excise made on the ground that the goods in respect of which such amount was collected were not excisable or were entitled to exemption from duty and no court shall have any jurisdiction in respect of such claim."

It started with a non-obstante clause; it took in every kind of refund and every claim for refund and it expressly barred the jurisdiction of courts in respect of such claim. Sub-section (3) of Section 11-B, as it now stands, it's to the same effect - indeed, more comprehensive and all-encompassing. It says:

"(3) Notwithstanding anything to the contrary contained in any judgment, decree, order or direction of the Appellate Tribunal or any court or in any other provision of this Act or the rules made thereunder or in any law for the time being in force, no refund shall be made except as provided in sub-section"

The language could not have been more specific and emphatic. The exclusivity of the provision relating to refund is not only express and unambiguous but is in addition to the general bar arising from the fact that the Act creates new rights and liabilities and also provides forums and procedures for ascertaining and adjudicating those rights and liabilities and all other incidental and ancillary matters, as will be pointed out presently. This is a bar upon a bar - an aspect emphasised in Para 23 (supra), and has to be respected so long as it stands. The validity of these provisions has never been seriously doubted. Even though in certain writ petitions now before us, validity of the 1991 (Amendment) Act including the amended Section 11-B is questioned, no specific reasons have been assigned why a provision of the nature of Sub-section (3) of Section 11-B (amended) is unconstitutional. Applying the propositions enunciated by a seven-Judge Bench of this Court in Kamala Mills case, AIR 1965 SC 1942, it must be held that Section 11-B (both before and after amendment) is valid and constitutional. In Kamala Mills, this Court upheld the constitutional validity of Section 20 of the Bombay Sales Tax Act (set out hereinbefore) on the ground that the Bombay Act contained adequate provisions for refund, for appeal, revision, rectification of mistake and for condonation of delay in filing appeal/revision. The Court pointed out that had the Bombay Act not provided these remedies and yet barred the resort to civil court, the constitutionality of Section 20 may have been in serious doubt, but since it does provide such remedies, its validity was beyond challenge, to repeat - and it is necessary to do so - so long as Section 11-B is constitutionally valid, it has to be followed and given effect to. We can see no reason on which the constitutionality of the said provision - or a similar provision - can be doubted. It must also be remembered that

Central Excises and Salt Act is a special enactment creating new and special obligations and rights, which at the same time prescribes the procedure for levy, assessment, collection, refund and all other incidental and ancillary provisions. As pointed out in the Statement of Objects and Reasons appended to the Bill which became the Act, the Act along with the Rules was intended to "form a complete central excise code". The idea was "to consolidate in a single enactment all the laws relating to central duties of excise". The Act is a self-contained enactment. It contains provisions for collecting the taxes which are due according to law but have not been collected and also for refunding the taxes which have been collected contrary to law, viz., Sections 11-A and 11-B and its allied provisions. Both provisions contain a uniform rule of limitation, viz., six months, with an exception in each case. Sections 11-A and 11-B are complimentary to each other. To such a situation, Proposition No. 3 enunciated in Kamala Mills becomes applicable, viz., where a statute creates a special right or a liability and also provides the procedure for the determination of the right or liability by the Tribunals constituted in that behalf and provides further that all questions about the said right and liability shall be determined by the Tribunals so constituted, the resort to civil court is not available -except to the limited extent pointed out in Kamala Mills. Central Excise Act specifically provides for refund. It expressly declares that no refund shall be made except in accordance therewith. The jurisdiction of a civil Court is expressly barred - vide Sub-section (5) of Section 11-B, prior to its amendment in 1991, and Sub-section (3) of Section 11-B, as amended in 1991. It is relevant to notice that the Act provides for more than one appeal against the orders made under Section 11-B/Rule 11. Since 1981, an appeal is provided to this Court also from the orders of the Tribunal. While Tribunal is not a departmental organ, this Court is a civil court. In this view of the matter and the express and additional bar and exclusivity contained in Rule 11/Section 11-B, at all points of time, it must be held that any and every ground including the violation of the principles of natural justice and infraction of fundamental principles of judicial procedure can be urged in these appeals, obviating the necessity of a suit or a writ petition in matters relating to refund. Once the constitutionality of the provisions of the Act including the provisions relating to refund is beyond question, they constitute "law" within the meaning of Article 265 of the Constitution. It follows that any action taken under and in accordance with the said provisions would be an action taken under the "authority of law", within the meaning of Article 265. In the face of the express provision which expressly declares that no claim for refund of any duty shall be entertained except in accordance with the said provisions, it is not permissible to resort to Section 72 of the Contract Act to do precisely that which is expressly prohibited by the said provisions. In other words, it is not permissible to claim refund by invoking Section 72 as a separate and independent

remedy when such a course is expressly barred by the provisions in the Act, viz., Rule 11 and Section 11-B. For this reason, a suit for refund would also not lie. Taking any other view would amount to nullifying the provisions in Rule 11/Section 11-B, which, it needs no emphasis, cannot be done. It, therefore, follows that any and every claim for refund of excise duty can be made only under and in accordance with Rule 11 or Section 11-B, as the case may be, in the forums provided by the Act. No suit can be filed for refund of duty invoking Section 72 of the Contract Act. So far as the jurisdiction of the High Court under Article 226 - or for that matter, the jurisdiction of this Court under Article 32 - is concerned, it is obvious that the provisions of the Act cannot bar and curtail these remedies. It is, however, equally obvious that while exercising the power under Article 226/Article 32, the Court would certainly take note of the legislative intent manifested in the provisions of the Act and would exercise their jurisdiction consistent with the provisions of the enactment."

It was submitted, that a perusal of the above paragraph shows, that this Court noticed, that against the order of the tribunal an appeal was provided for to this Court. The Court declared, that the tribunal was not a departmental organ and the Supreme Court was a civil court as it was hearing a statutory appeal. More importantly it held, that every ground including violation and infraction of judicial procedure could be urged in these appeals, obviating the necessity of a suit or a writ petition in matters relating to refund. This Court took care to hold, that so far as the jurisdiction of High Courts under Article 226 or this Court under Article 32 are concerned, they cannot be curtailed. It further held, that it was equally obvious that while exercising the power under Article 226/32 the Court would certainly take note of the legislative intent manifested in the provisions of the Act and would exercise their jurisdiction consistent with the provisions of the enactment. It was accordingly submitted, that in view of the conclusions drawn, in the above judgment, all the contentions urged by the petitioners, needed to be rejected.

The third contention:

44. Learned counsel for the respondents, vehemently controverted the submissions advanced at the hands of the petitioners, that the NTT Act was *ultra vires* the provisions of the Constitution. Insofar as the instant aspect of the matter is concerned, learned counsel for the respondents, first placed reliance on Article 246 of the Constitution. Article 246 is being extracted hereunder:

"246. Subject-matter of laws made by Parliament and by the Legislatures of States – (1) Notwithstanding anything in clauses (2) and (3), Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I in the Seventh Schedule (in this Constitution referred to as the "Union List").

(2) Notwithstanding anything in clause (3), Parliament and, subject to clause (1), the Legislature of any State also, have power to make laws with respect to any of the matters enumerated in List III in the Seventh Schedule (in this Constitution referred to as the "Concurrent List").

(3) Subject to clauses (1) and (2), the Legislature of any State has exclusive power to make laws for such State or any part thereof with respect to any of the matters enumerated in List II in the Seventh Schedule (in this Constitution referred to as the 'State List').

(4) Parliament has power to make laws with respect to any matter for any part of the territory of India not included (in a State) notwithstanding that such matter is a matter enumerated in the State List."

Based on the aforesaid provision, it was sought to be asserted that the Parliament had the unqualified and absolute jurisdiction, power and authority to enact laws in respect of matters enumerated in Lists I and III of the Constitution. Additionally, placing reliance on Article 246(4), it was asserted, that even on subjects not expressly provided for in the three Lists of the Seventh Schedule to the Constitution, the Parliament still had the absolute and untrammelled right to enact legislation. Insofar as the instant aspect of the matter is concerned,

learned counsel for the respondents placed reliance on entries 77 to 79, 82 to 84, 95 and 97 of List I. The above entries are being extracted hereunder:

List I – Union List

- "77. Constitution, organisation, jurisdiction and powers of the Supreme Court (including contempt of such Court), and the fees taken therein; persons entitled to practise before the Supreme Court.
78. Constitution and organisation (including vacations) of the High Courts except provisions as to officers and servants of High Courts; persons entitled to practise before the High Courts.
79. Extension of the jurisdiction of a High Court to, and exclusion of the jurisdiction of a High Court from, any Union territory.
82. Taxes on income other than agricultural income.
83. Duties of customs including export duties.
84. Duties of excise on tobacco and other goods manufactured or produced in India except –
- (a) alcoholic liquors for human consumption.
- (b) opium, Indian hemp and other narcotic drugs and narcotics, but including medicinal and toilet preparations containing alcohol or any substance included in sub-paragraph (b) of this entry.
95. Jurisdiction and powers of all courts, except the Supreme Court, with respect to any of the matters in this List; admiralty jurisdiction.
97. Any other matter not enumerated in List II or List III including any tax not mentioned in either of those Lists."

Based on the entries reproduced hereinabove, especially entries 77 to 79, it was submitted, that Parliament had the jurisdiction to enact legislation even in respect of the Supreme Court and the High Courts. Additionally, it had the power to legislate, and thereby, to extend or exclude the jurisdiction of a High Court. Relying on entries 82 to 84, it was the submission of the learned counsel for the respondents, that on matters of income-tax, customs duty and excise duty, the power to legislate was unequivocally vested with the Parliament. Reliance was placed on entry 95, to contend, that the extent of the jurisdiction of all courts including the High Court, in respect of matters expressed in List I could also be laid down by the Parliament. Referring again to entries 82 to 84 it was submitted,

that the extension or exclusion of jurisdiction on tax matters, was also within the domain of Parliament. So as to assert, that in case this Court was of the view, that the subject of the legislation contained in the NTT Act did not find mention, in any of the three Lists of the Seventh Schedule of the Constitution, the submission on behalf of the respondents was, that Parliament would still have the authority to legislate thereon, under entry 97 contained in List I of the Seventh Schedule.

45. Learned counsel for the respondents, also placed reliance on entries 11A and 46 contained in List III of Seventh Schedule. The above entries are being extracted hereunder:

List III – Concurrent List

“11A. Administration of justice; constitution and organisation of all courts, except the Supreme Court and the High Courts.

xxx

xxx

xxx

46. Jurisdiction and powers of all courts, except the Supreme Court, with respect to any of the matters in this List.”

Referring to the above entries, it was the contention of the learned counsel for the respondents that Parliament had the authority to enact legislation, in respect of the extent of jurisdiction and powers of courts, including the High Court. It was, however pointed out, that this power extended only to such matters and subjects, that found mention in List III of the Seventh Schedule. It was, therefore, that reliance was placed on entry 11A in List III, to contend that administration of justice, constitution and organization of all courts (except the Supreme Court and the High Courts) would lead to the inevitable conclusion that the NTT Act was promulgated, well within the power vested with the Parliament, under Article 246(2) of the Constitution.

46. Additionally, reliance was placed by the learned counsel for the respondents, on Article 247 of the Constitution, which is reproduced hereunder:

"247. Power of Parliament to provide for the establishment of certain additional courts. - Notwithstanding anything in this Chapter, Parliament may by law provide for the establishment of any additional courts for the better administration of laws made by Parliament or of any existing laws with respect to a matter enumerated in the Union List."

Referring to the above provision, it was the assertion of the learned counsel for the respondents, that power was expressly vested with the Parliament, to establish additional courts, for better administration of laws. It was submitted, that this was exactly what the Parliament had chosen to do, while enacting the NTT Act. Referring to the objects and reasons, indicating the basis of the enactment of the NTT Act, it was the categorical assertion at the hands of the learned counsel, that the impugned enactment was promulgated with the clear understanding, that the NTT would provide better adjudication of legal issues, arising out of direct/indirect tax laws.

47. Besides Articles 246 and 247 of the Constitution, learned counsel for the respondents asserted, that Articles 323A and 323B were inserted into the Constitution, by the Constitution (Forty-second Amendment) Act, 1976. The above provisions were included in the newly enacted Part XIV A of the Constitution. It was asserted, that the instant amendment of the Constitution was made for achieving two objectives. Firstly, to exclude the power of judicial review of the High Courts and the Supreme Court, totally. Thus excluding judicial review in its entirety. And secondly, to create independent specialized tribunals, with power of judicial review, which would ease the burden of the High Courts and the

Supreme Court. It was however acknowledged by learned counsel representing the respondents, that the first of the above mentioned objectives, was interpreted by this Court in *L. Chandra Kumar v. Union of India* (1997) 3 SCC 261, which struck down clause (2)(d) of Article 323A and clause (3)(d) of Article 323B, to the extent the amended provisions introduced by the Forty-second Amendment to the Constitution, excluded the jurisdiction of the High Courts and the Supreme Court under Articles 226/227 and 32/136 respectively. Insofar as the second objective is concerned, placing reliance in *L. Chandra Kumar* case (supra), it was the contention of the learned counsel for the respondents, that this Court had clearly concluded, that as long as the power of judicial review continue with the High Courts and the Supreme Court, under the provisions referred to hereinabove, the enactment under reference would be constitutionally valid. Therefore, in response to the submissions advanced at the hands of the learned counsel for the petitioners (as have been noticed hereinabove), it was the contention of the learned counsel for the respondents, that the power to enact the NTT Act, was clearly vested with the Parliament even under Article 323B of the Constitution. Furthermore, since the impugned enactment did not exclude the jurisdiction of the High Courts under Articles 226 and 227 of the Constitution, and also, did not exclude the jurisdiction of the Supreme Court under Articles 32 and 136 of the Constitution, the challenge to the constitutional validity of the NTT Act was wholly unjustified.

48. Learned counsel for the respondents was at pains to emphasise, that the jurisdictional road of Courts, as final interpreter of the law, was clearly preserved.

Firstly, because a statutory appeal was provided for under the NTT Act to the Supreme Court. And secondly because, judicial review vested in the High Courts under Articles 226 and 227 of the Constitution, and in the Supreme Court under Articles 32 and 136 of the Constitution, had been kept intact. It is, therefore, the submission of the learned counsel for the respondents, that no fault can be found in the vesting of appellate jurisdiction from orders passed by Appellate Tribunals (constituted under the Income Tax Act, Customs Act and the Excise Act) with the NTT.

49. While acknowledging the fact, that the jurisdiction vested in the High Courts to hear appeals from the Appellate Tribunals, under the Income Tax Act (vide Section 260A), the Customs Act (vide Section 130), and the Excise Act (vide Section 35G), has been transferred from the jurisdictional High Court to the NTT, it was submitted that appellate jurisdiction vested in a High Court under a statute, could be taken away by an amendment of the statute. Stated simply, the submission at the behest of the respondents was, whatever is vested by a statutory enactment, can likewise be divested in the same manner. It was therefore sought to be asserted, that the grounds of challenge to the NTT Act raised, at the behest of the petitioners, were misconceived and unacceptable.

50. Besides the submissions noticed hereinabove, it was also contended on behalf of the respondents, that the assertion made by the petitioners, that appellate jurisdiction on "substantial questions of law" could not be vested with the NTT, was fallacious. In this behalf, it was sought to be reiterated, that jurisdiction of civil courts (including the original side of the High Court) was

barred in respect of tax related issues. It was sought to be explained, that a case could involve questions of fact, as well as, questions of law right from the stage of the initial adjudicatory authority. But, it was pointed out, that only cases involving "substantial questions of law" would qualify for adjudication at the hands of the NTT. As such, placing reliance on the decision in *Mafatlal Industries Ltd. v. Union of India* (1997) 5 SCC 536, it was submitted, that the above contention raised by the petitioners had no legs to stand. Furthermore, it was sought to be pointed out, that the phrase "substantial questions of law" has been interpreted by this Court to mean, not only questions of general public importance, but also questions which would directly and substantially affect the rights of the parties to the litigation. It was also asserted, that a question of law would also include, a legal issue not previously settled, subject to the condition, that it had a material bearing on the determination of the controversy to be settled, between the parties. It is accordingly contended, that no limited interpretation could be placed on the term "substantial questions of law". Accordingly, it was submitted, that a challenge to the constitution of the NTT on the premise that the NTT was vested with the jurisdiction to settle "substantial questions of law" was unsustainable.

51. In order to support his above submission, learned counsel for the respondents placed emphatic reliance on a few judgments rendered by this Court. The same are being noticed hereunder:

(i) Reliance was also placed on *L. Chandra Kumar v. Union of India*, (1997) 3 SCC 261. Learned counsel for the respondents, while relying on the instant judgment, made a reference to various observations recorded therein. We wish

to incorporate hereunder all the paragraphs on which reliance was placed by the learned counsel:-

"80. However, it is important to emphasise that though the subordinate judiciary or Tribunals created under ordinary legislations cannot exercise the power of judicial review of legislative action to the exclusion of the High Courts and the Supreme Court, there is no constitutional prohibition against their performing a supplemental — as opposed to a substitutional — role in this respect. That such a situation is contemplated within the constitutional scheme becomes evident when one analyses clause (3) of Article 32 of the Constitution which reads as under:

"32. Remedies for enforcement of rights conferred by this Part.—

(1)

(2)

(3) Without prejudice to the powers conferred on the Supreme Court by clauses (1) and (2), Parliament may by law empower any other court to exercise within the local limits of its jurisdiction all or any of the powers exercisable by the Supreme Court under clause (2)."

81. If the power under Article 32 of the Constitution, which has been described as the "heart" and "soul" of the Constitution, can be additionally conferred upon "any other court", there is no reason why the same situation cannot subsist in respect of the jurisdiction conferred upon the High Courts under Article 226 of the Constitution. So long as the jurisdiction of the High Courts under Articles 226/227 and that of this Court under Article 32 is retained, there is no reason why the power to test the validity of legislations against the provisions of the Constitution cannot be conferred upon Administrative Tribunals created under the Act or upon Tribunals created under Article 323-B of the Constitution. It is to be remembered that, apart from the authorisation that flows from Articles 323-A and 323-B, both Parliament and the State Legislatures possess legislative competence to effect changes in the original jurisdiction of the Supreme Court and the High Courts. This power is available to Parliament under Entries 77, 78, 79 and 95 of List I and to the State Legislatures under Entry 65 of List II; Entry 46 of List III can also be availed of both by Parliament and the State Legislatures for this purpose.

82. There are pressing reasons why we are anxious to preserve the conferment of such a power on these Tribunals. When the Framers of our Constitution bestowed the powers of judicial review of legislative action upon the High Courts and the Supreme Court, they ensured that other constitutional safeguards were created to assist them in effectively discharging this onerous burden. The expectation was that this power would be required to be used only occasionally. However, in the five decades that have ensued since Independence, the quantity of litigation

before the High Courts has exploded in an unprecedented manner. The decision in *Sampath Kumar's case*, AIR 1987 SC 386, was rendered against such a backdrop. We are conscious of the fact that when a Constitution Bench of this Court in *Sampath Kumar's case* (supra) adopted the theory of alternative institutional mechanisms, it was attempting to remedy an alarming practical situation and the approach selected by it appeared to be most appropriate to meet the exigencies of the time. Nearly a decade later, we are now in a position to review the theoretical and practical results that have arisen as a consequence of the adoption of such an approach.

83. We must, at this stage, focus upon the factual position which occasioned the adoption of the theory of alternative institutional mechanisms in *Sampath Kumar's case* (supra). In his leading judgment, R. Misra, J. refers to the fact that since Independence, the population explosion and the increase in litigation had greatly increased the burden of pendency in the High Courts. Reference was made to studies conducted towards relieving the High Courts of their increased load. In this regard, the recommendations of the Shah Committee for setting up independent Tribunals as also the suggestion of the Administrative Reforms Commission that Civil Service Tribunals be set up, were noted. Reference was also made to the decision in *K.K. Dutta v. Union of India*, (1980) 4 SCC 38, where this Court had, while emphasising the need for speedy resolution of service disputes, proposed the establishment of Service Tribunals.

84. The problem of clearing the backlogs of High Courts, which has reached colossal proportions in our times is, nevertheless, one that has been the focus of study for close to a half century. Over time, several Expert Committees and Commissions have analysed the intricacies involved and have made suggestions, not all of which have been consistent. Of the several studies that have been conducted in this regard, as many as twelve have been undertaken by the Law Commission of India (hereinafter referred to as "the LCI") or similar high-level committees appointed by the Central Government, and are particularly noteworthy. (Report of the High Court Arrears Committee, 1949; LCI, 14th Report on Reform of Judicial Administration (1958); LCI, 27th Report on Code of Civil Procedure, 1908 (1964); LCI, 41st Report on Code of Criminal Procedure, 1898 (1969); LCI, 54th Report of Code of Civil Procedure, 1908 (1973); LCI, 57th Report on Structure and Jurisdiction of the Higher Judiciary (1974); Report of High Court Arrears Committee, 1972; LCI, 79th Report on Delay and Arrears in High Courts and other Appellate Courts (1979); LCI, 99th Report on Oral Arguments and Written Arguments in the Higher Courts (1984); Satish Chandra's Committee Report 1986; LCI, 124th Report on the High Court Arrears - A Fresh Look (1988); Report of the Arrears Committee (1989-90).

85. An appraisal of the daunting task which confronts the High Courts can be made by referring to the assessment undertaken by the LCI in its 124th Report which was released sometime after the judgment in *Sampath Kumar's case (supra)*. The Report was delivered in 1988, nine years ago, and some changes have occurred since, but the broad perspective which emerges is still, by and large, true:

"... The High Courts enjoy civil as well as criminal, ordinary as well as extraordinary, and general as well as special jurisdiction. The source of the jurisdiction is the Constitution and the various statutes as well as letters patent and other instruments constituting the High Courts. The High Courts in the country enjoy an original jurisdiction in respect of testamentary, matrimonial and guardianship matters. Original jurisdiction is conferred on the High Courts under the Representation of the People Act, 1951, Companies Act, 1956, and several other special statutes. The High Courts, being courts of record, have the power to punish for its contempt as well as contempt of its subordinate courts. The High Courts enjoy extraordinary jurisdiction under Articles 226 and 227 of the Constitution enabling it to issue prerogative writs, such as, the one in the nature of *habeas corpus*, *mandamus*, prohibition, *quo warranto* and *certiorari*. Over and above this, the High Courts of Bombay, Calcutta, Delhi, Himachal Pradesh, Jammu and Kashmir and Madras also exercise ordinary original civil jurisdiction. The High Courts also enjoy advisory jurisdiction, as evidenced by Section 256 of the Indian Companies Act, 1956, Section 27 of the Wealth Tax Act, 1957, Section 26 of the Gift Tax Act, 1958, and Section 18 of the Companies (Profits) Surtax Act, 1964. Similarly, there are parallel provisions conferring advisory jurisdiction on the High Courts, such as, Section 130 of the Customs Act, 1962, and Section 354 of the Central Excises and Salt Act, 1944. The High Courts have also enjoyed jurisdiction under the Indian Divorce Act, 1869, and the Parsi Marriage and Divorce Act, 1936. Different types of litigation coming before the High Court in exercise of its wide jurisdiction bear different names. The vast area of jurisdiction can be appreciated by reference to those names, viz., (a) first appeals; (b) appeals under the letters patent; (c) second appeals; (d) revision petitions; (e) criminal appeals; (f) criminal revisions; (g) civil and criminal references; (h) writ petitions; (i) writ appeals; (j) references under direct and indirect tax laws; (k) matters arising under the Sales Tax Act; (l) election petitions under the Representation of the People Act; (m) petitions under the Companies Act, Banking Companies Act and other special Acts and (n) wherever the High Court has original jurisdiction, suits and other proceedings in exercise of that jurisdiction. This varied jurisdiction has to some extent been

responsible for a very heavy institution of matters in the High Courts."

86. After analysing the situation existing in the High Courts at length, the LCI made specific recommendations towards the establishment of specialist Tribunals thereby lending force to the approach adopted in *Sampath Kumar's case (supra)*. The LCI noted the erstwhile international judicial trend which pointed towards generalist courts yielding their place to specialist Tribunals. Describing the pendency in the High Courts as "catastrophic, crisis-ridden, almost unmanageable, imposing ... an immeasurable burden on the system", the LCI stated that the prevailing view in Indian Jurisprudence that the jurisdiction enjoyed by the High Court is a holy cow required a review. It, therefore, recommended the trimming of the jurisdiction of the High Courts by setting up specialist courts/Tribunals while simultaneously eliminating the jurisdiction of the High Courts.

87. It is important to realise that though the theory of alternative institutional mechanisms was propounded in *Sampath Kumar's case (supra)* in respect of the Administrative Tribunals, the concept itself — that of creating alternative modes of dispute resolution which would relieve High Courts of their burden while simultaneously providing specialised justice — is not new. In fact, the issue of having a specialised tax court has been discussed for several decades; though the Report of the High Court Arrears Committee (1972) dismissed it as "ill-conceived", the LCI, in its 115th Report (1986) revived the recommendation of setting up separate Central Tax Courts. Similarly, other Reports of the LCI have suggested the setting up of 'Gram Nyayalayas' [LCI, 114th Report (1986)], Industrial/Labour Tribunals [LCI, 122nd Report (1987)] and Education Tribunals [LCI, 123rd Report (1987)].

88. In *R.K. Jain's case, (1993) AIR SCW 1899, this Court had, in order to understand how the theory of alternative institutional mechanisms had functioned in practice, recommended that the LCI or a similar expert body should conduct a survey of the functioning of these Tribunals. It was hoped that such a study, conducted after gauging the working of the Tribunals over a sizeable period of more than five years would provide an answer to the questions posed by the critics of the theory. Unfortunately, we do not have the benefit of such a study. We may, however, advert to the Report of the Arrears Committee (1989-90), popularly known as the Malimath Committee Report, which has elaborately dealt with the aspect. The observations contained in the Report, to this extent they contain a review of the functioning of the Tribunals over a period of three years or so after their institution, will be useful for our purpose.* Chapter VIII of the second volume of the Report, "*Alternative Modes and Forums for Dispute Resolution*", deals with the issue at length. After forwarding its specific recommendations on the feasibility of setting up 'Gram Nyayalayas', Industrial Tribunals and Educational Tribunals, the Committee has dealt with the issue of Tribunals set up under Articles 323-A and 323-B of the

Constitution. The relevant observations in this regard, being of considerable significance to our analysis, are extracted in full as under:

"Functioning of Tribunals

8.63 Several tribunals are functioning in the country. Not all of them, however, have inspired confidence in the public mind. The reasons are not far to seek. The foremost is the lack of competence, objectivity and judicial approach. The next is their constitution, the power and method of appointment of personnel thereto, the inferior status and the casual method of working. The last is their actual composition; men of calibre are not willing to be appointed as presiding officers in view of the uncertainty of tenure, unsatisfactory conditions of service, executive subordination in matters of administration and political interference in judicial functioning. For these and other reasons, the quality of justice is stated to have suffered and the cause of expedition is not found to have been served by the establishment of such tribunals.

8.64 Even the experiment of setting up of the Administrative Tribunals under the Administrative Tribunals Act, 1985, has not been widely welcomed. Its members have been selected from all kinds of services including the Indian Police Service. The decision of the State Administrative Tribunals are not appealable except under Article 136 of the Constitution. On account of the heavy cost and remoteness of the forum, there is virtual negation of the right of appeal. This has led to denial of justice in many cases and consequential dissatisfaction. There appears to be a move in some of the States where they have been established for their abolition.

Tribunals — Tests for Including High Court's Jurisdiction

8.65 A Tribunal which substitutes the High Court as an alternative institutional mechanism for judicial review must be no less efficacious than the High Court. Such a tribunal must inspire confidence and public esteem that it is a highly competent and expert mechanism with judicial approach and objectivity. What is needed in a tribunal, which is intended to supplant the High Court, is legal training and experience, and judicial acumen, equipment and approach. When such a tribunal is composed of personnel drawn from the judiciary as well as from services or from amongst experts in the field, any weightage in favour of the service members or expert members and value-discounting the judicial members would render the tribunal less effective and efficacious than the High Court. The Act setting up such a tribunal would itself have to be declared as void under such circumstances. The same would not at all be conducive to judicial independence and may even tend, directly or indirectly, to influence their decision-making process, especially when the Government is a litigant in most of the cases coming before such tribunal. (See S.P. Sampath Kumar's case (supra)).

The protagonists of specialist tribunals, who simultaneously with their establishment want exclusion of the writ jurisdiction of the High Courts in regard to matters entrusted for adjudication to such tribunals, ought not to overlook these vital and important aspects. *It must not be forgotten that what is permissible to be supplanted by another equally effective and efficacious institutional mechanism is the High Courts and not the judicial review itself.* Tribunals are not an end in themselves but a means to an end; even if the laudable objectives of speedy justice, uniformity of approach, predictability of decisions and specialist justice are to be achieved, the framework of the tribunal intended to be set up to attain them must still retain its basic judicial character and inspire public confidence. Any scheme of decentralisation of administration of justice providing for an alternative institutional mechanism in substitution of the High Courts must pass the aforesaid test in order to be constitutionally valid.

8.66 The overall picture regarding the tribunalisation of justice in our country is not satisfactory and encouraging. There is a need for a fresh look and review and a serious consideration before the experiment is extended to new areas of fields, especially if the constitutional jurisdiction of the High Courts is to be simultaneously ousted. Not many tribunals satisfying the aforesaid tests can possibly be established."

Having expressed itself in this manner, the Malimath Committee specifically recommended that the theory of alternative institutional mechanisms be abandoned. Instead, it recommended that institutional changes be carried out within the High Courts, dividing them into separate divisions for different branches of law, as is being done in England. It stated that appointing more Judges to man the separate divisions while using the existing infrastructure would be a better way of remedying the problem of pendency in the High Courts.

89. In the years that have passed since the Report of the Malimath Committee was delivered, the pendency in the High Courts has substantially increased and we are of the view that its recommendation is not suited to our present context. That the various Tribunals have not performed up to expectations is a self-evident and widely acknowledged truth. However, to draw an inference that their unsatisfactory performance points to their being founded on a fundamentally unsound principle would not be correct. The reasons for which the Tribunals were constituted still persist; indeed, those reasons have become even more pronounced in our times. We have already indicated that our constitutional scheme permits the setting up of such Tribunals. However, drastic measures may have to be resorted to in order to elevate their standards to ensure that they stand up to constitutional scrutiny in the discharge of the power of judicial review conferred upon them.

90. We may first address the issue of exclusion of the power of judicial review of the High Courts. We have already held that in respect of the power of judicial review, the jurisdiction of the High Courts under Articles 226/227 cannot be excluded. It has been contended before us that the Tribunals should not be allowed to adjudicate upon matters where the vires of legislations is questioned, and that they should restrict themselves to handling matters where constitutional issues are not raised. We cannot bring ourselves to agree to this proposition as that may result in splitting up proceedings and may cause avoidable delay. If such a view were to be adopted, it would be open for litigants to raise constitutional issues, many of which may be quite frivolous, to directly approach the High Courts and thus subvert the jurisdiction of the Tribunals. Moreover, even in these special branches of law, some areas do involve the consideration of constitutional questions on a regular basis; for instance, in service law matters, a large majority of cases involve an interpretation of Articles 14, 15 and 16 of the Constitution. To hold that the Tribunals have no power to handle matters involving constitutional issues would not serve the purpose for which they were constituted. On the other hand, to hold that all such decisions will be subject to the jurisdiction of the High Courts under Articles 226/227 of the Constitution before a Division Bench of the High Court within whose territorial jurisdiction the Tribunal concerned falls will serve two purposes. While saving the power of judicial review of legislative action vested in the High Courts under Articles 226/227 of the Constitution, it will ensure that frivolous claims are filtered out through the process of adjudication in the Tribunal. The High Court will also have the benefit of a reasoned decision on merits which will be of use to it in finally deciding the matter.

91. It has also been contended before us that even in dealing with cases which are properly before the Tribunals, the manner in which justice is dispensed by them leaves much to be desired. Moreover, the remedy provided in the parent statutes, by way of an appeal by special leave under Article 136 of the Constitution, is too costly and inaccessible for it to be real and effective. Furthermore, the result of providing such a remedy is that the docket of the Supreme Court is crowded with decisions of Tribunals that are challenged on relatively trivial grounds and it is forced to perform the role of a first appellate court. We have already emphasised the necessity for ensuring that the High Courts are able to exercise judicial superintendence over the decisions of the Tribunals under Article 227 of the Constitution. In R.K. Jain's case (supra), after taking note of these facts, it was suggested that the possibility of an appeal from the Tribunal on questions of law to a Division Bench of a High Court within whose territorial jurisdiction the Tribunal falls, be pursued. It appears that no follow-up action has been taken pursuant to the suggestion. Such a measure would have improved matters considerably. Having regard to both the aforesaid contentions, we hold that all decisions of Tribunals,

whether created pursuant to Article 323-A or Article 323-B of the Constitution, will be subject to the High Court's writ jurisdiction under Articles 226/227 of the Constitution, before a Division Bench of the High Court within whose territorial jurisdiction the particular Tribunal falls.

92. We may add here that under the existing system, direct appeals have been provided from the decisions of all Tribunals to the Supreme Court under Article 136 of the Constitution. In view of our above-mentioned observations, this situation will also stand modified. In the view that we have taken, no appeal from the decision of a Tribunal will directly lie before the Supreme Court under Article 136 of the Constitution; but instead, the aggrieved party will be entitled to move the High Court under Articles 226/227 of the Constitution and from the decision of the Division Bench of the High Court the aggrieved party could move this Court under Article 136 of the Constitution.

93. Before moving on to other aspects, we may summarise our conclusions on the jurisdictional powers of these Tribunals. The Tribunals are competent to hear matters where the vires of statutory provisions are questioned. However, in discharging this duty, they cannot act as substitutes for the High Courts and the Supreme Court which have, under our constitutional set-up, been specifically entrusted with such an obligation. Their function in this respect is only supplementary and all such decisions of the Tribunals will be subject to scrutiny before a Division Bench of the respective High Courts. The Tribunals will consequently also have the power to test the vires of subordinate legislations and rules. However, this power of the Tribunals will be subject to one important exception. The Tribunals shall not entertain any question regarding the vires of their parent statutes following the settled principle that a Tribunal which is a creature of an Act cannot declare that very Act to be unconstitutional. In such cases alone, the High Court concerned may be approached directly. All other decisions of these Tribunals, rendered in cases that they are specifically empowered to adjudicate upon by virtue of their parent statutes, will also be subject to scrutiny before a Division Bench of their respective High Courts. We may add that the Tribunals will, however, continue to act as the only courts of first instance in respect of the areas of law for which they have been constituted. By this, we mean that it will not be open for litigants to directly approach the High Courts even in cases where they question the vires of statutory legislations (except, as mentioned, where the legislation which creates the particular Tribunal is challenged) by overlooking the jurisdiction of the concerned Tribunal.

94. The directions issued by us in respect of making the decisions of Tribunals amenable to scrutiny before a Division Bench of the respective High Courts will, however, come into effect prospectively i.e. will apply to decisions rendered hereafter. To maintain the sanctity of judicial

proceedings, we have invoked the doctrine of prospective overruling so as not to disturb the procedure in relation to decisions already rendered."

Based on the decisions of this Court referred to above, it was the contention of the learned counsel for the respondents, that the submissions advanced on behalf of the petitioners, are liable to outright rejection.

(ii) Reliance was placed first of all on Union of India v. Delhi High Court Bar Association, (2002) 4 SCC 275. Insofar as the controversy raised in the instant judgment is concerned, it would be relevant to mention, that banks and financial institutions had been experiencing considerable difficulties in recovery of loans, and enforcement of securities. The procedure for recovery of debts due to banks and financial institutions, which was being followed, had resulted in the funds being blocked. To remedy the above situation, Parliament enacted the Recovery of Debts Due to Banks and Financial Institutions Act, 1993. The Act, *inter alia*, provided for establishment of tribunals and Appellate Tribunals. The said tribunals were given jurisdiction, powers and authority, to entertain and decide, applications from banks and financial institutions, for recovery of debts, due to banks and financial institutions. The Appellate Tribunal, was vested with the jurisdiction and authority, to entertain appeals. The procedure to be followed by the tribunals, as also, the Appellate Tribunals, was provided for under the above enactment. The legislation also provided for modes of recovery of debts through Recovery Officers (appointed under the Act). The constitutional validity of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 was raised on the ground, that the legislation was unreasonable and violative of Article 14 of the Constitution. It was also the claim of those who raised the said challenge,

that the enactment was beyond the legislative competence of the Parliament. The controversy came to be examined, in the first instance, by the Delhi High Court (in Delhi High Court Bar Association v. Union of India, AIR 1975 Delhi 323). The Delhi High Court held, that even though the tribunal could be constituted by the Parliament, and even though the constitution of the tribunal was within the purview of Articles 323A and 323B of the Constitution, and despite the fact that, the expression "administration of justice" appearing in entry 11A of List III of the Seventh Schedule to the Constitution, would also include tribunals administering justice, yet the impugned Act was unconstitutional, as it had the effect of eroding the independence of the judiciary, besides being irrational, discriminatory, unreasonable and arbitrary. As such it was held, that the provisions of the enactment were violative of the mandate contained in Article 14 of the Constitution. The High Court, in its judgment, also quashed the appointment of Presiding Officers of the tribunal. While adjudicating upon the above controversy in reference to some of the issues that have been raised before us, our pointed attention was invited to the following observations:

"21. Sub-section (20) of Section 19 provides that after giving the applicant and the defendant an opportunity of being heard, the Tribunal may pass such interim or final order as it thinks fit to meet the ends of justice. It is after this order that a certificate is issued by the Presiding Officer to the Recovery Officer for recovery of money. Section 22 of the Act has not been amended. Therefore, reading Sections 19 and 22 of the Act together, it appears that the Tribunal and the Appellate Tribunal are to be guided by the principles of natural justice while trying the matter before them. Section 22(1) of the Act stipulates that the Tribunal and the Appellate Tribunal, while being guided by the principles of natural justice, are to be subjected to the other provisions of the Act and the Rules. Rule 12(7) provides that if a defendant denies his liability to pay the claim made by the applicant, the Tribunal may act upon the affidavit of the applicant

who is acquainted with the facts of the case. In this Rule, which deals with the consideration of the applicant's bank application, there is no reference to the examination of witnesses. This sub-rule refers only to the affidavit of the applicant. Rule 12(6), on the other hand, provides that the Tribunal may, at any time, for sufficient reason order a fact to be proved by affidavit or may pass an order that the affidavit of any witness may be read at the hearing. It is in the proviso to this sub-rule that a reference is made to the cross-examination of witnesses.

22. At the outset, we find that Rule 12 is not happily worded. The reason for establishing Banking Tribunals being to expedite the disposal of the claims by the banks, Parliament thought it proper only to require the principles of natural justice to be the guiding factor for the Tribunals in deciding the applications, as is evident from Section 22 of the Act. While the Tribunal has, no doubt, been given the power of summoning and enforcing the attendance of any witness and examining him on oath, but the Act does not contain any provision which makes it mandatory for the witness to be examined, if such a witness could be produced. Rule 12(6) has to be read harmoniously with the other provisions of the Act and the Rules. As we have already noticed, Rule 12(7) gives the Tribunal the power to act upon the affidavit of the applicant where the defendant denies his liability to pay the claims. Rule 12(6), if paraphrased, would read as follows:

1. the Tribunal may, at any time for sufficient reason, order that any particular fact or facts may be proved by affidavit ... on such conditions as the Tribunal thinks reasonable;
2. the Tribunal may, at any time for sufficient reason, order ... that the affidavit of any witness may be read at the hearing, on such conditions as the Tribunal thinks reasonable.

23. In other words, the Tribunal has the power to require any particular fact to be proved by affidavit, or it may order that the affidavit of any witness may be read at the hearing. While passing such an order, it must record sufficient reasons for the same. The proviso to Rule 12(6) would certainly apply only where the Tribunal chooses to issue a direction on its own, for any particular fact to be proved by affidavit or the affidavit of a witness being read at the hearing. The said proviso refers to the desire of an applicant or a defendant for the production of a witness for cross-examination. In the setting in which the said proviso occurs, it would appear to us that once the parties have filed affidavits in support of their respective cases, it is only thereafter that the desire for a witness to be cross-examined can legitimately arise. It is at that time, if it appears to the Tribunal, that such a witness can be produced and it is necessary to do so and there is no desire to prolong the case that it shall require the witness to be present for cross-examination and in the event of his not appearing, then the affidavit shall not be taken into evidence. When the High Courts and the Supreme Court in exercise of their jurisdiction under Article 226

and Article 32 can decide questions of fact as well as law merely on the basis of documents and affidavits filed before them ordinarily, there should be no reason as to why a Tribunal, likewise, should not be able to decide the case merely on the basis of documents and affidavits before it. It is common knowledge that hardly any transaction with the bank would be oral and without proper documentation, whether in the form of letters or formal agreements. In such an event the *bona fide* need for the oral examination of a witness should rarely arise. There has to be a very good reason to hold that affidavits, in such a case, would not be sufficient.

24. The manner in which a dispute is to be adjudicated upon is decided by the procedural laws which are enacted from time to time. It is because of the enactment of the Code of Civil Procedure that normally all disputes between the parties of a civil nature would be adjudicated upon by the civil courts. There is no absolute right in anyone to demand that his dispute is to be adjudicated upon only by a civil court. The decision of the Delhi High Court proceeds on the assumption that there is such a right. As we have already observed, it is by reason of the provisions of the Code of Civil Procedure that the civil courts had the right, prior to the enactment of the Debts Recovery Act, to decide the suits for recovery filed by the banks and financial institutions. This forum, namely, that of a civil court, now stands replaced by a Banking Tribunal in respect of the debts due to the bank. When in the Constitution, Articles 323-A and 323-B contemplate establishment of a Tribunal and that does not erode the independence of the judiciary, there is no reason to presume that the Banking Tribunals and the Appellate Tribunals so constituted would not be independent, or that justice would be denied to the defendants or that the independence of the judiciary would stand eroded.

25. Such Tribunals, whether they pertain to income tax or sales tax or excise or customs or administration, have now become an essential part of the judicial system in this country. Such specialised institutions may not strictly come within the concept of the judiciary, as envisaged by Article 50, but it cannot be presumed that such Tribunals are not an effective part of the justice delivery system, like courts of law. It will be seen that for a person to be appointed as a Presiding Officer of a Tribunal, he should be one who is qualified to be a District Judge and, in case of appointment of the Presiding Officer of the Appellate Tribunal he is, or has been, qualified to be a Judge of a High Court or has been a member of the Indian Legal Service who has held a post in Grade I for at least three years or has held office as the Presiding Officer of a Tribunal for at least three years. Persons who are so appointed as Presiding Officers of the Tribunal or of the Appellate Tribunal would be well versed in law to be able to decide cases independently and judiciously. It has to be borne in mind that the decision of the Appellate Tribunal is not final, in the sense that the same can be subjected to judicial review by the High Court under Articles 226 and 227 of the Constitution.

26. With the establishment of the Tribunals, Section 31 provides for the transfer of pending cases from civil courts to the Tribunal. We do not find such a provision being in any way bad in law. Once a Debts Recovery Tribunal has been established, and the jurisdiction of courts barred by Section 18 of the Act, it would be only logical that any matter pending in the civil court should stand transferred to the Tribunal. This is what happened when the Central Administrative Tribunal was established. All cases pending in the High Courts stood transferred. Now that exclusive jurisdiction is vested in the Banking Tribunal, it is only in that forum that bank cases can be tried and, therefore, a provision like Section 31 was enacted.

27. With regard to the observations of the Delhi High Court in relation to the pecuniary jurisdiction of the Tribunals and of the Delhi High Court, the Act has been enacted for the whole of India. In most of the States, the High Courts do not have original jurisdiction. In order to see that the Tribunal is not flooded with cases where the amounts involved are not very large, the Act provides that it is only where the recovery of the money is more than Rs 10 lakhs that the Tribunal will have the jurisdiction to entertain the application under Section 19. With respect to suits for recovery of money less than Rs 10 lakhs, it is the subordinate courts which would continue to try them. In other words, for a claim of Rs 10 lakhs or more, exclusive jurisdiction has been conferred on the Tribunal but for any amount less than Rs 10 lakhs, it is the ordinary civil courts which will have jurisdiction. The bifurcation of original jurisdiction between the Delhi High Court and the subordinate courts is a matter which cannot have any bearing on the validity of the establishment of the Tribunal. It is only in those High Courts which have original jurisdiction that an anomalous situation arises where suits for recovery of money less than Rs 10 lakhs have to be decided by the High Courts while the Tribunals have jurisdiction to decide suits for recovery of more than Rs 10 lakhs. This incongruous situation, which can be remedied by the High Court divesting itself of the original jurisdiction in regard to such claims and vesting the said jurisdiction with the subordinate courts or vice versa, cannot be a ground for holding that the Act is invalid.

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30. By virtue of Section 29 of the Act, the provisions of the Second and Third Schedules to the Income Tax Act, 1961 and the Income Tax (Certificate Proceedings) Rules, 1962, have become applicable for the realisation of the dues by the Recovery Officer. Detailed procedure for recovery is contained in these Schedules to the Income Tax Act, including provisions relating to arrest and detention of the defaulter. It cannot, therefore, be said that the Recovery Officer would act in an arbitrary manner. Furthermore, Section 30, after amendment by the Amendment Act, 2000, gives a right to any person aggrieved by an order of the Recovery Officer, to prefer an appeal to the Tribunal. Thus now an

appellate forum has been provided against any orders of the Recovery Officer which may not be in accordance with law. There is, therefore, sufficient safeguard which has been provided in the event of the Recovery Officer acting in an arbitrary or an unreasonable manner. The provisions of Sections 25 and 28 are, therefore, not bad in law.

31. For the aforesaid reasons, while allowing the appeals of the Union of India and the Banks, we hold that the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 is a valid piece of legislation. As a result thereof, the writ petitions or appeals filed by various parties challenging the validity of the said Act or some of the provisions thereof, are dismissed. It would be open to the parties to raise other contentions on the merits of their cases before the authority constituted under the Act and, only thereafter, should a High Court entertain a petition under Articles 226 and/or 227 of the Constitution. Transferred cases stand disposed of accordingly. Parties to bear their own costs."

(iii) Reliance was next placed on State of Karnataka v. Vishwabharathi House Building Cooperative Society & Ors., (2003) 2 SCC 412. The primary question which arose for consideration was the constitutional validity of the Consumer Protection Act, 1986. The challenge was raised on the ground, that Parliament was not empowered to establish a hierarchy of courts like the District Fora, the State Commission and the National Commission, as this would constitute a parallel hierarchy of courts, in addition to the courts established under the Constitution, namely, District Courts, High Courts and the Supreme Court. In this behalf the pointed submission was, that Parliament could only establish courts, with power to deal with specific subjects, but not such a court which would run parallel to the civil courts. It was sought to be asserted, that even under Articles 323A and 323B of the Constitution, Parliament could not enact a legislation, by which it could establish tribunals, in substitution of civil courts including the High Court. This, according to those who raised the challenge, would strike at the independence of the judiciary. As against the above assertions, the legislative

competence of the Parliament and the State Legislatures, to provide for creation of courts and tribunals, reliance was placed on entries 77, 78 and 79 in List I of the Seventh Schedule, as also, entries 11A and 46 contained in List III of the Seventh Schedule to the Constitution. While examining the challenge raised to the Consumer Protection Act, 1986, on the grounds referred to above, this Court held as under:-

"12. A bare perusal of the aforementioned provisions does not leave any manner of doubt as regard the legislative competence of Parliament to provide for creation of Special Courts and Tribunals. Administration of justice; constitution and organization of all courts, except the Supreme Court and the High Courts is squarely covered by Entry 11-A of List III of the Constitution of India. The said entry was originally a part of Entry 3 of List II. By reason of the Constitution (Forty-second Amendment) Act, 1976 and by Section 57(a)(vi) thereof, it was inserted into List III as Item 11-A.

13. By virtue of clause (2) of Article 246 of the Constitution, Parliament has the requisite power to make laws with respect of constitution of organization of all courts except the Supreme Court and the High Court.

14. The learned counsel appearing on behalf of the petitioners could not seriously dispute the plenary power of Parliament to make a law as regard constitution of courts but as noticed supra, merely urged that it did not have the competence to create parallel civil courts.

15. The said submission has been made purported to be relying on or on the basis of the following observations made by Shinghal, J. while delivering a partially dissenting judgment in *Special Courts Bill, 1978, In re:* (1979) 1 SCC 380 (SCC at p. 455, para 152)

"152. The Constitution has thus made ample and effective provision for the establishment of a strong, independent and impartial judicial administration in the country, with the necessary complement of civil and criminal courts. It is not permissible for Parliament or a State Legislature to ignore or bypass that scheme of the Constitution by providing for the establishment of a civil or criminal court parallel to a High Court in a State, or by way of an additional or extra or a second High Court, or a court other than a court subordinate to the High Court. Any such attempt would be unconstitutional and will strike at the independence of the judiciary which has so nobly been enshrined in the Constitution and so carefully nursed over the years."

16. The argument of the learned counsel is fallacious inasmuch as the provisions of the said Act are in addition to the provisions of any other law

for the time being in force and not in derogation thereof as is evident from Section 3 thereof.

17. The provisions of the said Act clearly demonstrate that it was enacted keeping in view the long-felt necessity of protecting the common man from wrongs wherefor the ordinary law for all intent and purport had become illusory. In terms of the said Act, a consumer is entitled to participate in the proceedings directly as a result whereof his helplessness against a powerful business house may be taken care of.

18. This Court in a large number of decisions considered the purport and object of the said Act. By reason of the said statute, quasi-judicial authorities have been created at the district, State and Central levels so as to enable a consumer to ventilate his grievances before a forum where justice can be done without any procedural wrangles and hypertechnicalities.

19. One of the objects of the said Act is to provide momentum to the consumer movement. The Central Consumer Protection Council is also to be constituted in terms of Section 4 of the Act to promote and protect the rights of the consumers as noticed hereinbefore.

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24. In terms of Section 10, the President of a District Forum shall be a person who is, or has been, or is qualified to be a District Judge and the Forum shall also consist of two other members who are required to be persons of ability, integrity and standing and have adequate knowledge or experience of, or have shown capacity in dealing with, problems relating to economics, law, commerce, accountancy, industry, public affairs or administration and one of them shall be a woman. The tenure of the members of the District Forum is fixed.

25. Section 13 of the said Act lays down a detailed procedure as regards the mode and manner in which the complaints received by the District Forum are required to be dealt with. Section 14 provides for the directions which can be issued by the District Forum on arriving at a satisfaction that the goods complained against suffer from any of the defects specified in the complaint or that any of the allegations contained in the complaint about the deficiencies in services have been proved.

26. Section 15 provides for an appeal from the order made by the District Forum to the State Commission.

27. Section 16 provides for composition of the State Commission which reads thus:

"16. (1) Each State Commission shall consist of,—

(a) a person who is or has been a Judge of a High Court, appointed by the State Government, who shall be its President;

Provided that no appointment under this clause shall be made except after consultation with the Chief Justice of the High Court;

(b) two other members, who shall be persons of ability, integrity and standing and have adequate knowledge or experience of, or

have shown capacity in dealing with, problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom shall be a woman:

Provided that every appointment under this clause shall be made by the State Government on the recommendation of a Selection Committee consisting of the following, namely:

- (i) President of the State Commission: Chairman
 - (ii) Secretary of the Law Department of the State: Member
 - (iii) Secretary in charge of the Department dealing with consumer affairs in the State: Member
- (2) The salary or honorarium and other allowances payable to, and the other terms and conditions of service of the members of the State Commission shall be such as may be prescribed by the State Government.

(3) Every member of the State Commission shall hold office for a term of five years or up to the age of sixty-seven years, whichever is earlier and shall not be eligible for reappointment.

(4) Notwithstanding anything contained in sub-section (3), a person appointed as a President or as a member before the commencement of the Consumer Protection (Amendment) Act, 1993, shall continue to hold such office as President or member, as the case may be, till the completion of his term."

The members of the State Commission are to be selected by a Selection Committee, the Chairman whereof would be the President of the State Commission.

28. Section 19 provides for an appeal from a decision of the State Commission to the National Commission. Section 20 deals with the composition of the National Commission, the President whereof would be a person who is or has been a Judge of the Supreme Court and such appointment shall be made only upon consultation with the Chief Justice of India. So far as the members of the National Commission are concerned, the same are also to be made on the recommendation of the Selection Committee, the Chairman whereof would be a person who is a Judge of the Supreme Court to be nominated by the Chief Justice of India. The tenure of the office of the National Commission is also fixed by reason of sub-section (3) of Section 20.

29. By reason of the provisions of the said Act, therefore, independent authorities have been created.

30. Sections 15, 19 and 23 provide for the hierarchy of appeals. By reason of sub-sections (4), (5) and (6) of Section 13, the District Forum shall have the same powers as are vested in the civil courts for the purposes mentioned therein. Sub-sections (2) and (2-A) of Section 14 mandate that the proceedings shall be conducted by the President of the District Forum and at least one member thereof sitting together. Only in the event of any difference between them on any point or points, the same is

to be referred to the other member for hearing thereon and the opinion of the majority shall be the order of the District Forum. By reason of Section 18, the provisions of Sections 12, 13 and 14 and the rules made thereunder would mutatis mutandis be applicable to the disposal of disputes by the State Commission.

31. Section 23 provides for a limited appeal to the Supreme Court from an order made by the National Commission i.e. when the same is made in exercise of its original power as conferred by sub-clause (f) of clause (a) of Section 21."

This Court then, having placed reliance on *Union of India v. Delhi High Court Bar Association* (supra), *Navinchandra Mafatlal, Bombay v. The Commissioner of Income Tax, Bombay City*, AIR 1955 SC 58, and *Union of India v. Harbhajan Singh Dhillon*, (1971) 2 SCC 779, concluded as under:-

"37. Once it is held that Parliament had the legislative competence to enact the said Act, the submissions of the learned counsel that the relevant provisions of the Constitution required amendments must be neglected.

38. The scope and object of the said legislation came up for consideration before this Court in *Common Cause, A Registered Society v. Union of India*, (1997) 10 SCC 729. It was held: (SCC p. 730, para 2)

"2. The object of the legislation, as the preamble of the Act proclaims, is 'for better protection of the interests of consumers'. During the last few years preceding the enactment there was in this country a marked awareness among the consumers of goods that they were not getting their money's worth and were being exploited by both traders and manufacturers of consumer goods. The need for consumer redressal fora was, therefore, increasingly felt. Understandably, therefore, legislation was introduced and enacted with considerable enthusiasm and fanfare as a path-breaking benevolent legislation intended to protect the consumer from exploitation by unscrupulous manufacturers and traders of consumer goods. A three-tier fora comprising the District Forum, the State Commission and the National Commission came to be envisaged under the Act for redressal of grievances of consumers."

39. The rights of the parties have adequately been safeguarded by reason of the provisions of the said Act inasmuch as although it provides for an alternative system of consumer jurisdiction on summary trial, they are required to arrive at a conclusion based on reasons. Even when quantifying damages, they are required to make an attempt to serve the ends of justice aiming not only at recompensing the individual but also to

bring about a qualitative change in the attitude of the service provider. Assignment of reasons excludes or at any rate minimizes the chances of arbitrariness and the higher forums created under the Act can test the correctness thereof.

40. The District Forum, the State Commission and the National Commission are not manned by lay persons. The President would be a person having judicial background and other members are required to have the expertise in the subjects such as economics, law, commerce, accountancy, industry, public affairs, administration etc. It may be true that by reason of sub-section (2-A) of Section 14 of the Act, in a case of difference of opinion between two members, the matter has to be referred to a third member and, in rare cases, the majority opinion of the members may prevail over the President. But, such eventuality alone is insufficient for striking down the Act as unconstitutional, particularly, when provisions have been made therein for appeal thereagainst to a higher forum.

41. By reason of the provisions of the said Act, the power of judicial review of the High Court, which is a basic feature of the Constitution, has not been nor could be taken away.

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49. The question as regards the applicability or otherwise of Articles 323-A and 323-B of the Constitution in the matter of constitution of such Tribunals came up for consideration before this Court in *L. Chandra Kumar v. Union of India*, (1997) 3 SCC 261. This Court therein clearly held that the constitutional provisions vest Parliament and the State Legislatures, as the case may be, with powers to divest the traditional courts of a considerable portion of their judicial work. It was observed that the Parliament and the State Legislatures possess legislative competence to effect changes in the original jurisdiction of the Supreme Court and High Court apart from the authorisation that flows from Articles 323-A and 323-B in terms of Entries 77, 78, 79 and 95 of List I so far as the Parliament is concerned, and in terms of Entry 65 of List II and Entry 46 of List III so far as the State Legislatures are concerned. It was further held that power of judicial review being the basic structure of the Constitution cannot be taken away.

50. We, therefore, are clearly of the opinion that the said Act cannot be said to be unconstitutional."

The fourth contention:

52(i) In response to the fourth contention, namely, the challenge raised by the learned counsel for the petitioners, to the various provisions of the NTT Act, it was the submission of the learned counsel for the respondents, that in view of

the submissions advanced in respect of the third contention, it is apparent that the Parliament had the legislative competence to enact the NTT Act. It was submitted, that the NTT Act was enacted keeping in mind the parameters laid down by this Court, by preserving the power of judicial review vested in the High Courts under Articles 226 and 227 of the Constitution, as also, by preserving the power of judicial review vested in this Court under Articles 32 and 136 of the Constitution. It is, therefore, submitted that the final word in respect of the instant adjudicatory process, stands preserved with courts of law. And therefore, the submissions advanced at the hands of the learned counsel for the petitioners on the individual provisions of the NTT Act, pertaining to the independence of the adjudicatory process, were being exaggerated out of proportion.

(ii) Despite having made the above submissions, the Attorney General for India, was fair and candid in stating, that if this Court felt that there was need to make certain changes in the provisions referred to by the petitioners, he had the instructions to state, that any suggestion made by this Court will be viewed positively, and necessary amendments in the NTT Act would be carried out.

The debate, and the consideration:

I. Constitutional validity of the NTT Act – Does the NTT Act violate the “basic structure” of the Constitution?

53. The principal contention advanced at the hands of the learned counsel for the petitioners was premised on the submission, that Article 323B, inserted by the Constitution (Forty-second Amendment) Act 1976, to the extent that it violated the principles of, “separation of powers”, “rule of law”, and “judicial

review", was liable to be struck down. This striking down was founded on an alleged violation of the "basic structure" doctrine. Similarly, various provisions of the NTT Act, were sought to be assailed. The provisions of the NTT Act were challenged, on the premise, that they had trappings of executive control, over the adjudicatory process vested with the NTT, and therefore, were liable to be set aside as unconstitutional.

54. In the context of the foregoing submissions advanced at the hands of the learned counsel for the petitioners, it is essential for us to examine the exact contours of "judicial review", in the framework and scheme, of the concepts of "rule of law" and "separation of powers", which have been held to constitute the "basic structure" of the Constitution. And also, the essential ingredients, of an independent adjudicatory process. It is, therefore, that we would travel the ladder of history and law, to determine the exact scope of the "judicial review", which constitutes the "basic structure" of the Constitution. This would lead us to unravel the salient ingredients of an independent adjudicatory process. Based thereon, we will record our conclusions. The analysis:

55. Reference must first of all be made to the decision rendered by this Court in *Kesavananda Bharati v. State of Kerala*, (1973) 4 SCC 225. In the above cited case, this Court was engaged with the validity of the Constitution (Twenty-fourth Amendment) Act, 1971, as also, the Constitution (Twenty-fifth Amendment) Act, 1971. The former Act related to the amendments of Articles 13 and 368 of the Constitution, whereas the latter, pertained to the amendment of Article 31 of the Constitution. The instant judgment was rendered by a

constitution bench of 13 Judges. Seven of the Judges expressed the majority view. The observations recorded by this Court recognising "judicial review" as a component of the "basic structure" of the Constitution, were made by four Judges. Reference is first of all being made, to the view expressed by S.M. Sikri, CJ.:

"292. The learned Attorney-General said that every provision of the Constitution is essential; otherwise it would not have been put in the Constitution. This is true. But this does not place every provision of the Constitution in the same position. The true position is that every provision of the Constitution can be amended provided in the result the basic foundation and structure of the constitution remains the same. The basic structure may be said to consist of the following features:

- (1) Supremacy of the Constitution;
- (2) Republican and Democratic form of Government;
- (3) Secular character of the Constitution;
- (4) Separation of powers between the legislature, the executive and the judiciary;
- (5) Federal character of the Constitution.

293. The above structure is built on the basic foundation i.e. the dignity and freedom of the individual. This is of supreme importance. This cannot by any form of amendment be destroyed."

It is also imperative to refer to the view expressed by J.M. Shelat and A.N. Grover, JJ., who delivered a common judgment:

"487.The Rule of Law has been ensured by providing for judicial review.".

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577. Judicial review is undertaken by the courts "not out of any desire to tilt at legislative authority in a crusader's spirit, but in discharge of a duty plainly laid down upon them by the Constitution". The respondents have also contended that to let the court have judicial review over constitutional amendments would mean involving the court in political questions. To this the answer may be given in the words of Lord Porter in Commonwealth of Australia v. Bank of New South Wales, 1950 AC 235 at 310,:

"The problem to be solved will often be not so much legal as political, social or economic, yet it must be solved by a Court of law. For where the dispute is, as here, not only between Commonwealth and citizen but between Commonwealth and intervening States on the one hand

and citizens and States on the other, it is only the Court that can decide the issue, it is vain to invoke the voice of Parliament."

There is ample evidence in the Constitution itself to indicate that it creates a system of checks and balances by reason of which powers are so distributed that none of the three organs it sets up can become so pre-dominant as to disable the others from exercising and discharging powers and functions entrusted to them. Though the Constitution does not lay down the principle of separation of powers in all its rigidity as is the case in the United States Constitution but it envisages such a separation to a degree as was found in Ranasinghe's case, 1965 AC 172. The judicial review provided expressly in our Constitution by means of Articles 226 and 32 is one of the features upon which hinges the system of checks and balances. Apart from that, as already stated, the necessity for judicial decision on the competence or otherwise of an Act arises from the very federal nature of a Constitution (per Haldane, L.C. in Attorney-General for the Commonwealth of Australia v. Colonial Sugar Refining Co., 1914 AC 237 and Ex parte Walsh & Johnson; In re Yates, (1925) 37 CLR 36 at page 58. The function of interpretation of a Constitution being thus assigned to the judicial power of the State, the question whether the subject of a law is within the ambit of one or more powers of the Legislature conferred by the Constitution would always be a question of interpretation of the Constitution. It may be added that at no stage the respondents have contested the proposition that the validity of a constitutional amendment can be the subject of review by this Court. The Advocate-General of Maharashtra has characterized judicial review as undemocratic. That cannot, however, be so in our Constitution because of the provisions relating to the appointment of Judges, the specific restriction to which the fundamental rights are made subject, the deliberate exclusion of the due process clause in Article 21 and the affirmation in Article 141 that Judges declare but not make law. To this may be added the none too rigid amendatory process which authorizes amendment by means of 2/3 majority and the additional requirement of ratification.

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582. The basic structure of the Constitution is not a vague concept and the apprehensions expressed on behalf of the respondents that neither the citizen nor the Parliament would be able to understand it are unfounded. If the historical background, the preamble, the entire scheme of the Constitution, relevant provisions thereof including Article 368 are kept in mind there can be no difficulty in discerning that the following can be regarded as the basic elements of the constitutional structure. (These cannot be catalogued but can only be illustrated):

- (1) The supremacy of the Constitution.
- (2) Republican and Democratic form of government and sovereignty of the country.
- (3) Secular and federal character of the Constitution.

(4) Demarcation of power between the Legislature, the executive and the judiciary.

(5) The dignity of the individual secured by the various freedoms and basic rights in Part III and the mandate to build a welfare State contained in Part IV.

(6) The unity and the integrity of the Nation."

In this behalf it is also imperative for us to record the observations of P. Jaganmohan Reddy, J., who observed as under:-

"1104.There is no constitutional matter which is not in some way or the other involved with political, social or economic questions, and if the Constitution-makers have vested in this Court a power of Judicial review, and while so vesting, have given it a prominent place describing it as the heart and soul of the Constitution, we will not be deterred from discharging that duty, merely because the validity or otherwise of the legislation will affect the political or social policy underlying it. The basic approach of this Court has been, and must always be, that the Legislature has the exclusive power to determine the policy and to translate it into law, the constitutionality of which is to be presumed, unless there are strong and cogent reasons for holding that it conflicts with the constitutional mandate. In this regard both the Legislature, the executive, as well as the judiciary are bound by the paramount instrument, and, therefore, no court and no Judge will exercise the judicial power dehors that instrument, nor will it function as a supreme legislature above the Constitution. The bona fides of all the three of them has been the basic assumption, and though all of them may be liable to error, it can be corrected in the manner and by the method prescribed under the Constitution and subject to such limitations as may be inherent in the instrument."

Some of the observations of H.R. Khanna, J., are also relevant to the issue in hand. The same are placed hereunder:

"1529.The power of judicial review is, however, confined not merely to deciding whether in making the impugned laws the Central or State Legislatures have acted within the four corners of the legislative lists earmarked for them; the courts also deal with the question as to whether the laws are made in conformity with and not in violation of the other provisions of the Constitution. Our Constitution-makers have provided for fundamental rights in Part III and made them justiciable. As long as some fundamental rights exist and are a part of the Constitution, the power of judicial review has also to be exercised with a view to see that the guarantees afforded by those rights are not contravened. Dealing with draft Article 25 (corresponding to present Article 32 of the Constitution) by which a right is given to move the

Supreme Court for enforcement of the fundamental rights, Dr Ambedkar speaking in the Constituent Assembly on December 9, 1948 observed:

"If I was asked to name any particular article in this Constitution as the most important an article without which this Constitution would be a nullity — I could not refer to any other article except this one It is the very soul of the Constitution and the very heart of it and I am glad that the House has realised its importance" (Constituent Assembly Debates, Vol VII, p. 953).

Judicial review has thus become an integral part of our constitutional system and a power has been vested in the High Courts and the Supreme Court to decide about the constitutional validity of provisions of statutes.

Our Constitution postulates rule of law in the sense of supremacy of the Constitution and the laws as opposed to arbitrariness. The vesting of power of exclusion of judicial review in a legislature, including State Legislature, contemplated by Article 31-C, in my opinion, strikes at the basic structure of the Constitution. The second part of Article 31-C thus goes beyond the permissible limit of what constitutes amendment under Article 368.

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1533. The position as it emerges is that it is open to the authority amending the Constitution to exclude judicial review regarding the validity of an existing statute. It is likewise open to the said authority to exclude judicial review regarding the validity of a statute which might be enacted by the legislature in future in respect of a specified subject. In such an event, judicial review is not excluded for finding whether the statute has been enacted in respect of the specified subject. Both the above types of constitutional amendments are permissible under Article 368. What is not permissible, however, is a third type of constitutional amendment, according to which the amending authority not merely excludes judicial review regarding the validity of a statute which might be enacted by the legislature in future in respect of a specified subject but also excludes judicial review for finding whether the statute enacted by the legislature is in respect of the subject for which judicial review has been excluded.

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1537. I may now sum up my conclusions relating to power of amendment under Article 368 of the Constitution as it existed before the amendment made by the Constitution (Twenty-fourth Amendment) Act as well as about the validity of the Constitution (Twenty-fourth Amendment) Act, the Constitution (Twenty-fifth Amendment) Act and the Constitution (Twenty-ninth Amendment) Act:

- (i) Article 368 contains not only the procedure for the amendment of the Constitution but also confers the power of amending the Constitution.
- (ii) Entry 97 in List I of the Seventh Schedule of the Constitution does not cover the subject of amendment of the Constitution.
- (iii) The word "law" in Article 13(2) does not include amendment of the Constitution. It has reference to ordinary piece of legislation. It would also

Court examined the constitutional validity of the Constitution (Thirty-ninth Amendment) Act, 1975. The issue under reference included the insertion of Article 329A (and more particularly, the second clause thereof), which had the effect of taking out from the purview of "judicial review", the validity of the election of a person who was holding, either the office of the Prime Minister or of the Speaker, or had come to be appointed/chosen as the Prime Minister or the Speaker, after such election. Insofar as the instant aspect of the matter is concerned, it would be relevant to mention, that the election of the appellant from the Rae Bareilly constituency in the General Parliamentary Elections of 1971, was set aside by the High Court of Judicature at Allahabad (hereinafter referred to as, the High Court), on 12.6.1975. The appellant had assailed the order passed by the High Court before this Court. During the pendency of the above appeal, on 10.8.1975, the Constitution (Thirty-ninth Amendment) Act was passed, which introduced two new Articles, namely, Articles 71 and 329A of the Constitution. The controversy arising out of the above referred appeal, therefore, virtually came to be rendered infructuous. It was, by way of a cross-appeal, that the constitutional validity of the amended provisions was assailed.

(ii) In the above cross-appeal, it was asserted at the hands of the respondent, that "judicial review" was an essential feature of the "basic structure" of the Constitution. This assertion was under the doctrine of "separation of powers". The pointed submission at the hands of the learned counsel for the respondent was, that "judicial review", in matters of election was imperative. The issue canvassed was, that "judicial review" would ensure free, fair and pure elections.

52. Judicial review in election disputes is not a compulsion. Judicial review of decisions in election disputes may be entrusted by law to a judicial tribunal. If it is to a tribunal or to the High Court the judicial review will be attracted either under the relevant law providing for appeal to this Court or Article 136 may be attracted. Under Article 329(b) the contemplated law may vest the power to entertain election petitions in the House itself which may determine the dispute by a resolution after receiving a report from a special committee. In such cases judicial review may be eliminated without involving amendment of the Constitution. If judicial review is excluded the court is not in a position to conclude that principles of equality have been violated.

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153. The contentions of the respondent that the Amendment Acts of 1974 and 1975 are subject to basic features or basic structure or basic framework fails on two grounds. First, legislative measures are not subject to the theory of basic features or basic structure or basic framework. Second, the majority view in Kesavananda Bharati's case (supra) is that the Twenty-ninth Amendment which put the two statutes in the Ninth Schedule and Article 31-B is not open to challenge on the ground of either damage to or destruction of basic features, basic structure or basic framework or on the ground of violation of fundamental rights."

The views expressed by H.R. Khanna, J. are now being reproduced below:-

"175. The proposition that the power of amendment under Article 368 does not enable Parliament to alter the basic structure of framework of the Constitution was laid down by this Court by a majority of 7 to 6 in the case of His Holiness Kesavananda Bharati v. State of Kerala. (1973) 4 SCC 225. Apart from other reasons which were given in some of the judgments of the learned Judges who constituted the majority, the majority dealt with the connotation of the word "amendment". It was held that the words "amendment of the Constitution" in Article 368 could not have the effect of destroying or abrogating the basic structure of the Constitution. Some of us who were parties to that case took a different view and came to the conclusion that the words "amendment of the Constitution" in Article 368 did not admit of any limitation. Those of us who were in the minority in Kesavananda Bharati's case (supra) may still hold the same view as was given expression to in that case. For the purpose of the present case, we shall have to proceed in accordance with the law as laid down by the majority in that case.

176. Before dealing with the question as to whether the impugned amendment affects the basic structure of the Constitution, I may make it clear that this Court is not concerned with the wisdom behind or the propriety of the impugned constitutional amendment. These are matters essentially for those who are vested with the authority to make the constitutional amendment. All that this Court is concerned with is the constitutional validity of the impugned amendment.

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210. It has been argued in support of the constitutional validity of clause (4) that as a result of this amendment, the validity of one election has been preserved. Since the basic structure of the Constitution, according to the submission, continues to be the same, clause (4) cannot be said to be an impermissible piece of constitutional amendment. The argument has a seeming plausibility about it, but a deeper reflection would show that it is vitiated by a basic fallacy. Law normally connotes a rule or norm which is of general application. It may apply to all the persons or class of persons or even individuals of a particular description. Law prescribes the abstract principles by the application of which individual cases are decided. Law, however, is not what Blackstone called "a sentence". According to Roscoe Pound, law, as distinguished from laws, is the system of authoritative materials for grounding or guiding judicial and administrative action recognised or established in a politically organized society (see p. 106, Jurisprudence, Vol. III). Law is not the same as judgment. Law lays down the norm in abstract terms with a coercive power and sanction against those guilty of violating the norm, while judgment represents the decision arrived at by the application of law to the concrete facts of a case. Constitutional law relates to the various organs of a State; it deals with the structure of the Government, the extent of distribution of its powers and the modes and principles of its operation. The Constitution of India is so detailed that some of the matters which in a brief Constitution like that of the United States of America are dealt with by statutes form the subject-matter of various articles of our Constitution. There is, however, in a constitutional law, as there is in the very idea of law, some element of generality or general application. It also carries with it a concept of its applicability in future to situations which may arise in that context. If there is amendment of some provision of the Constitution and the amendment deals with matters which constitute constitutional law, in the normally accepted sense, the court while deciding the question of the validity of the amendment would have to find out, in view of the majority opinion in Kesavananda Bharati's case (supra), as to whether the amendment affects the basic structure of the Constitution. The constitutional amendment contained in clause (4) with which we are concerned in the present case is, however, of an altogether different nature. Its avowed object is to confer validity on the election of the appellant to the Lok Sabha in 1971 after that election had been declared to be void by the High Court and an appeal against the judgment of the High Court was pending in this Court. In spite of our query, we were not referred to any precedent of a similar amendment of any Constitution of the world. The uniqueness of the impugned constitutional amendment would not, however, affect its validity. If the constituent authority in its wisdom has chosen the validity of a disputed election as the subject-matter of a constitutional amendment, this Court cannot go behind that wisdom. All that this Court is concerned with is the validity of the amendment. I need not go into the question as to whether such a matter, in view of the normal concept of

constitutional law, can strictly be the subject of a constitutional amendment. I shall for the purpose of this case assume that such a matter can validly be the subject-matter of a constitutional amendment. The question to be decided is that if the impugned amendment of the Constitution violates a principle which is part of the basic structure of the Constitution, can it enjoy immunity from an attack on its validity because of the fact that for the future, the basic structure of the Constitution remains unaffected. The answer to the above question, in my opinion, should be in the negative. What has to be seen in such a matter is whether the amendment contravenes or runs counter to an imperative rule or postulate which is an integral part of the basic structure of the Constitution. If so, it would be an impermissible amendment and it would make no difference whether it relates to one case or a large number of cases. If an amendment striking at the basic structure of the Constitution is not permissible, it would not acquire validity by being related only to one case. To accede to the argument advanced in support of the validity of the amendment would be tantamount to holding that even though it is not permissible to change the basic structure of the Constitution, whenever the authority concerned deems it proper to make such an amendment, it can do so and circumvent the bar to the making of such an amendment by confining it to one case. What is prohibited cannot become permissible because of its being confined to one matter."

On the issue in hand, K.K. Mathew, J.'s views were as under:-

"318. The major problem of human society is to combine that degree of liberty without which law is tyranny with that degree of law without which liberty becomes licence; and, the difficulty has been to discover the practical means of achieving this grand objective and to find the opportunity for applying these means in the ever-shifting tangle of human affairs. A large part of the effort of man over centuries has been expended in seeking a solution of this great problem. A region of law, in contrast to the tyranny of power, can be achieved only through separating appropriately the several powers of the Government. If the lawmakers should also be the constant administrators and dispensers of law and justice, then, the people would be left without a remedy in case of injustice since no appeal can lie under the fiat against such a supremacy. And, in this age-old search of political philosophers for the secret of sound Government, combined with individual liberty, it was Montesquieu who first saw the light. He was the first among the political philosophers who saw the necessity of separating judicial power from the executive and legislative branches of Government. Montesquieu was the first to conceive of the three functions of Government as exercised by three organs, each juxtaposed against others. He realised that the efficient operation of Government involved a certain degree of overlapping and that the theory of checks and balances required each organ to impede too great an aggrandizement of authority by the other two powers. As Holdsworth says, Montesquieu convinced the world that he had discovered a new constitutional

principle which was universally valid. The doctrine of separation of governmental powers is not a mere theoretical, philosophical concept. It is a practical, work-a-day principle. The division of Government into three branches does not imply, as its critics would have us think, three watertight compartments. Thus, legislative impeachment of executive officers or judges, executive veto over legislation, judicial review of administrative or legislative actions are treated as partial exceptions which need explanation. (See generally: "the Doctrine of Separation of Powers and its present day significance" by T. Vanderbilt.)

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343. I think clause (4) is bad for the reasons which I have already summarised. Clauses (1) to (3) of Article 329-A are severable but I express no opinion on their validity as it is not necessary for deciding this case.

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361. I therefore hold that these Acts are not liable to be challenged on any of the grounds argued by Counsel."

57. Insofar as the third judgment in the series of judgments is concerned, reference may be made to *Minerva Mills Ltd. & Ors. v. Union of India & Ors.*, (1980) 2 SCC 591, as also, *Minerva Mills Ltd. & Ors. v. Union of India & Ors.*, (1980) 3 SCC 625. Insofar as the former of the above two judgments is concerned, the same delineates the pointed controversy dealt with by a constitution bench of 5 Judges of this Court. The issue adjudicated upon, pertained to the constitutional validity of the Constitution (Forty-second Amendment) Act, 1976, and more particularly, Sections 4 and 55 thereof, whereby Articles 31C and 368 of the Constitution, came to be amended. The majority view was expressed in the ratio of 4:1, P.N. Bhagwati, J. (as he then was) having rendered the dissent. The majority arrived at the conclusion, that Section 4 of the Constitution (Forty-second Amendment) Act, 1976 was beyond the amending power of the Parliament and was void, as it had the effect of violating the basic or essential features of the Constitution and destroying the

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"basic structure" of the Constitution, by a total exclusion of a challenge to any law, even on the ground that it was inconsistent with, or had taken away, or had abridged any of the rights, conferred by Articles 14 or 19 of the Constitution. Likewise, Section 55 of the Constitution (Forty-second Amendment) Act was struck down as unconstitutional, as the same was beyond the amending power of the Parliament. Relevant observations recorded in the instant judgment pertaining to the issue in hand, are being extracted hereunder. The opinion expressed by Y.V. Chandrachud, CJ, A.C. Gupta, N.L. Untawalia and P.S. Kailasam, JJ. on the subject in hand, was to the following effect:-

"68. We must ... mention, what is perhaps not fully realised, that Article 31-C speaks of laws giving effect to the "policy of the State", "towards securing all or any of the principles laid down in Part IV". In the very nature of things it is difficult for a court to determine whether a particular law gives effect to a particular policy. Whether a law is adequate enough to give effect to the policy of the State towards securing a directive principle is always a debatable question and the courts cannot set aside the law as invalid merely because, in their opinion, the law is not adequate enough to give effect to a certain policy. In fact, though the clear intendment of Article 31-C is to shut out all judicial review, the argument of the learned Additional Solicitor-General calls for a doubly or trebly extensive judicial review than is even normally permissible to the courts. Be it remembered that the power to enquire into the question whether there is a direct and reasonable nexus between the provisions of a law and a directive principle cannot confer upon the courts the power to sit in judgment over the policy itself of the State. At the highest, courts can, under Article 31-C, satisfy themselves as to the identity of the law in the sense whether it bears direct and reasonable nexus with a directive principle. If the court is satisfied as to the existence of such nexus, the inevitable consequence provided for by Article 31-C must follow. Indeed, if there is one topic on which all the 13 Judges in Kesavananda Bharati, (1973) 4 SCC 225, were agreed, it is this: that the only question open to judicial review under the unamended Article 31-C was whether there is a direct and reasonable nexus between the impugned law and the provisions of Article 39(b) and (c) Reasonableness is evidently regarding the nexus and not regarding the law. It is therefore impossible to accept the contention that it is open to the courts to undertake the kind of enquiry suggested by the Additional Solicitor General.

The attempt therefore to drape Article 31-C into a democratic outfit under which an extensive judicial review would be permissible must fail.

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73. It was finally urged by the learned Attorney General that if we uphold the challenge to the validity of Article 31-C, the validity of clauses (2) to (6) of Article 19 will be gravely imperilled because those clauses will also then be liable to be struck down as abrogating the rights conferred by Article 19(1) which are an essential feature of the Constitution. We are unable to accept this contention. Under clauses (2) to (6) of Article 19, restrictions can be imposed only if they are reasonable and then again, they can be imposed in the interest of a stated class of subjects only. It is for the courts to decide whether restrictions are reasonable and whether they are in the interest of the particular subject. Apart from other basic dissimilarities, Article 31-C takes away the power of judicial review to an extent which destroys even the semblance of a comparison between its provisions and those of clauses (2) to (6) of Article 19. Human ingenuity, limitless though it may be, has yet not devised a system by which the liberty of the people can be protected except through the intervention of courts of law.

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75. These then are our reasons for the Order (See *Minerva Mills Ltd. vs. Union of India*, (1980) 2 SCC 591) which we passed on May 9, 1980 to the following effect: (SCC pp. 592-593, paras 1 & 2)

“Section 4 of the Constitution (Forty-second Amendment) Act is beyond the amending power of the Parliament and is void since it damages the basic or essential features of the Constitution and destroys its basic structure by a total exclusion of challenge to any law on the ground that it is inconsistent with, or takes away or abridges any of the rights conferred by Article 14 or Article 19 of the Constitution, if the law is for giving effect to the policy of the State towards securing all or any of the principles laid down in Part IV of the Constitution.

Section 55 of the Constitution (Forty-second Amendment) Act is beyond the amending power of the Parliament and is void since it removes all limitations on the power of the Parliament to amend the Constitution and confers power upon it to amend the Constitution so as to damage or destroy its basic or essential features or its basic structure.”

In order to appreciate the minority view on the issue, reference may be made to the following observations of P.N. Bhagwati, J.:-

“87. It is a fundamental principle of our constitutional scheme, and I have pointed this out in the preceding paragraph, that every organ of the State, every authority under the Constitution, derives its power from the Constitution and has to act within the limits of such power. But then the question arises as

to which authority must decide what are the limits on the power conferred upon each organ or instrumentality of the State and whether such limits are transgressed or exceeded. Now there are three main departments of the State amongst which the powers of government are divided; the executive, the legislature and the judiciary. Under our Constitution we have no rigid separation of powers as in the United States of America, but there is a broad demarcation, though, having regard to the complex nature of governmental functions, certain degree of overlapping is inevitable. The reason for this broad separation of powers is that "the concentration of powers in any one organ may" to quote the words of Chandrachud, J., (as he then was) in Indira Gandhi case, 1975 Supp SCC 1, "by upsetting that fine balance between the three organs, destroy the fundamental premises of a democratic government to which we are pledged". Take for example, a case where the executive which is in charge of administration acts to the prejudice of a citizen and a question arises as to what are the powers of the executive and whether the executive has acted within the scope of its powers. Such a question obviously cannot be left to the executive to decide and for two very good reasons. First, the decision of the question would depend upon the interpretation of the Constitution and the laws and this would pre-eminently be a matter fit to be decided by the judiciary, because it is the judiciary which alone would be possessed of expertise in this field and secondly, the constitutional and legal protection afforded to the citizen would become illusory, if it were left to the executive to determine the legality of its own action. So also if the legislature makes a law and a dispute arises whether in making the law the legislature has acted outside the area of its legislative competence or the law is violative of the fundamental rights or of any other provisions of the Constitution, its resolution cannot, for the same reasons, be left to the determination of the legislature. The Constitution has, therefore, created an independent machinery for resolving these disputes and this independent machinery is the judiciary which is vested with the power of judicial review to determine the legality of executive action and the validity of legislation passed by the legislature. It is the solemn duty of the judiciary under the Constitution to keep the different organs of the State such as the executive and the legislature within the limits of the power conferred upon them by the Constitution. This power of judicial review is conferred on the judiciary by Articles 32 and 226 of the Constitution. Speaking about draft Article 25, corresponding to present Article 32 of the Constitution, Dr Ambedkar, the principal architect of our Constitution, said in the Constituent Assembly on December 9, 1948:

"If I was asked to name any particular Article in this Constitution as the most important — an Article without which this Constitution would be a nullity — I could not refer to any other Article except this one. It is the very soul of the Constitution and the very heart of it and I am glad that the House has realised its importance. (CAD, Vol. 7, p.953)"

It is a cardinal principle of our Constitution that no one howsoever highly placed and no authority however lofty can claim to be the sole judge of its

power under the Constitution or whether its action is within the confines of such power laid down by the Constitution. The judiciary is the interpreter of the Constitution and to the judiciary is assigned the delicate task to determine what is the power conferred on each branch of government, whether it is limited, and if so, what are the limits and whether any action of that branch transgresses such limits. It is for the judiciary to uphold the constitutional values and to enforce the constitutional limitations. That is the essence of the rule of law, which inter alia requires that "the exercise of powers by the government whether it be the legislature or the executive or any other authority, be conditioned by the Constitution and the law". The power of judicial review is an integral part of our constitutional system and without it, there will be no government of laws and the rule of law would become a teasing illusion and a promise of unreality. I am of the view that if there is one feature of our Constitution which, more than any other, is basic and fundamental to the maintenance of democracy and the rule of law, it is the power of judicial review and it is unquestionably, to my mind, part of the basic structure of the Constitution. Of course, when I say this I should not be taken to suggest that effective alternative institutional mechanisms or arrangements for judicial review cannot be made by Parliament. But what I wish to emphasise is that judicial review is a vital principle of our Constitution and it cannot be abrogated without affecting the basic structure of the Constitution. If by a constitutional amendment, the power of judicial review is taken away and it is provided that the validity of any law made by the legislature shall not be liable to be called in question on any ground, even if it is outside the legislative competence of the legislature or is violative of any fundamental rights, it would be nothing short of subversion of the Constitution, for it would make a mockery of the distribution of legislative powers between the Union and the States and render the fundamental rights meaningless and futile. So also if a constitutional amendment is made which has the effect of taking away the power of judicial review and providing that no amendment made in the Constitution shall be liable to be questioned on any ground, even if such amendment is violative of the basic structure and, therefore, outside the amendatory power of Parliament, it would be making Parliament sole judge of the constitutional validity of what it has done and that would, in effect and substance, nullify the limitation on the amending power of Parliament and affect the basic structure of the Constitution. The conclusion must therefore inevitably follow that clause (4) of Article 368 is unconstitutional and void as damaging the basic structure of the Constitution.

88. That takes us to clause (5) of Article 368. This clause opens with the words "for the removal of doubts" and proceeds to declare that there shall be no limitation whatever on the amending power of Parliament under Article 368. It is difficult to appreciate the meaning of the opening words "for the removal of doubts" because the majority decision in Kesavananda Bharati case (supra) clearly laid down and left no doubt that the basic structure of the Constitution was outside the competence of the amendatory power of

Parliament and in Indira Gandhi case (supra), all the judges unanimously accepted theory of the basic structure as a theory by which the validity of the amendment impugned before them, namely, Article 329-A(4) was to be judged. Therefore, after the decisions in Kesavananda Bharati case (supra) and Indira Gandhi case (supra), there was no doubt at all that the amendatory power of Parliament was limited and it was not competent to Parliament to alter the basic structure of the Constitution and clause (5) could not remove the doubt which did not exist. What clause (5) really sought to do was to remove the limitation on the amending power of Parliament and convert it from a limited power into an unlimited one. This was clearly and indubitably a futile exercise on the part of Parliament. I fail to see how Parliament which has only a limited power of amendment and which cannot alter the basic structure of the Constitution can expand its power of amendment so as to confer upon itself the power of repeal or abrogate the Constitution or to damage or destroy its basic structure. That would clearly be in excess of the limited amending power possessed by Parliament. The Constitution has conferred only a limited amending power on Parliament so that it cannot damage or destroy the basic structure of the Constitution and Parliament cannot by exercise of that limited amending power convert that very power into an absolute and unlimited power. If it were permissible to Parliament to enlarge the limited amending power conferred upon it into an absolute power of amendment, then it was meaningless to place a limitation on the original power of amendment. It is difficult to appreciate how Parliament having a limited power of amendment can get rid of the limitation by exercising that very power and convert it into an absolute power. Clause (5) of Article 368 which sought to remove the limitation on the amending power of Parliament by making it absolute must therefore be held to be outside the amending power of Parliament. There is also another ground on which the validity of this clause can be successfully assailed. This clause seeks to convert a controlled Constitution into an uncontrolled one by removing the limitation on the amending power of Parliament which, as pointed out above, is itself an essential feature of the Constitution and it is therefore violative of the basic structure. I would in the circumstances hold clause (5) of Article 368 to be unconstitutional and void."

58. Reference may now be made to another decision of this Court rendered by a bench of 7 Judges, namely, S.P. Gupta v. Union of India, 1981 (Supp.) SCC
87. P.N. Bhagwati, J. (as he then was) opined as under:-

"Concept of Independence of the Judiciary

27. Having disposed of the preliminary objection in regard to locus standi of the petitioners, we may now proceed to consider the questions which arise

for determination in these writ petitions. The questions are of great constitutional significance affecting the principle of independence of the judiciary which is a basic feature of the Constitution and we would therefore prefer to begin the discussion by making a few prefatory remarks highlighting what the true function of the judiciary should be in a country like India which is marching along the road to social justice with the banner of democracy and the rule of law, for the principle of independence of the judiciary is not an abstract conception but it is a living faith which must derive its inspiration from the constitutional charter and its nourishment and sustenance from the constitutional values. It is necessary for every Judge to remember constantly and continually that our Constitution is not a non-aligned national charter. It is a document of social revolution which casts an obligation on every instrumentality including the judiciary, which is a separate but equal branch of the State, to transform the status quo ante into a new human order in which justice, social, economic and political will inform all institutions of national life and there will be equality of status and opportunity for all.Now this approach to the judicial function may be alright for a stable and static society but not for a society pulsating with urges of gender justice, worker justice, minorities justice, dalit justice and equal justice, between chronic unequals. Where the contest is between those who are socially or economically unequal, the judicial process may prove disastrous from the point of view of social justice, if the Judge adopts a merely passive or negative role and does not adopt a positive and creative approach. The judiciary cannot remain a mere bystander or spectator but it must become an active participant in the judicial process ready to use law in the service of social justice through a pro-active goal-oriented approach. But this cannot be achieved unless we have judicial cadres who share the fighting faith of the Constitution and who are imbued with the constitutional values. The necessity of a judiciary which is in tune with the social philosophy of the Constitution has nowhere been better emphasised than in the words of Justice Krishna Iyer which we quote:

"Appointment of Judges is a serious process where judicial expertise, legal learning, life's experience and high integrity are components, but above all are two indispensables — social philosophy in active unison with the socialistic articles of the Constitution, and second, but equally important, built-in resistance to pushes and pressures by class interests, private prejudices, government threats and blandishments, party loyalties and contrary economic and political ideologies projecting into pronouncements. (Mainstream, November 22, 1980)"

Justice Krishna Iyer goes on to say in his inimitable style:

"Justice Cardozo approvingly quoted President Theodore Roosevelt's stress on the social philosophy of the Judges, which shakes and shapes the course of a nation and, therefore, the choice of Judges for the higher Courts which makes and declares the law of the land, must be in tune with the social philosophy of the Constitution. Not mastery of the law alone, but social vision and creative craftsmanship are

important inputs in successful justicing. (Mainstream, November 22, 1980)"

What is necessary is to have Judges who are prepared to fashion new tools, forge new methods, innovate new strategies and evolve a new jurisprudence, who are judicial statesmen with a social vision and a creative faculty and who have, above all, a deep sense of commitment to the Constitution with an activist approach and obligation for accountability, not to any party in power nor to the opposition nor to the classes which are vociferous but to the half-hungry millions of India who are continually denied their basic human rights. We need Judges who are alive to the socio-economic realities of Indian life, who are anxious to wipe every tear from every eye, who have faith in the constitutional values and who are ready to use law as an instrument for achieving the constitutional objectives. This has to be the broad blueprint of the appointment project for the higher echelons of judicial service. It is only if appointments of Judges are made with these considerations weighing predominantly with the appointing authority that we can have a truly independent judiciary committed only to the Constitution and to the people of India. The concept of independence of the judiciary is a noble concept which inspires the constitutional scheme and constitutes the foundation on which rests the edifice of our democratic polity. If there is one principle which runs through the entire fabric of the Constitution, it is the principle of the rule of law and under the Constitution, it is the judiciary which is entrusted with the task of keeping every organ of the State within the limits of the law and thereby making the rule of law meaningful and effective. It is to aid the judiciary in this task that the power of judicial review has been conferred upon the judiciary and it is by exercising this power which constitutes one of the most potent weapons in armory of the law, that the judiciary seeks to protect the citizen against violation of his constitutional or legal rights or misuse or abuse of power by the State or its officers. The judiciary stands between the citizen and the State as a bulwark against executive excesses and misuse or abuse of power by the executive and therefore it is absolutely essential that the judiciary must be free from executive pressure or influence and this has been secured by the Constitution-makers by making elaborate provisions in the Constitution to which detailed reference has been made in the judgments in Union of India vs. Sankalchand Himmatlal Sheth, (1977) 4 SCC 193. But it is necessary to remind ourselves that the concept of independence of the judiciary is not limited only to independence from executive pressure or influence but it is a much wider concept which takes within its sweep independence from many other pressures and prejudices. It has many dimensions, namely, fearlessness of other power centres, economic or political, and freedom from prejudices acquired and nourished by the class to which the Judges belong. If we may again quote the eloquent words of Justice Krishna Iyer:

"Independence of the Judiciary is not genuflexion; nor is it opposition to every proposition of Government. It is neither Judiciary made to

Opposition measure nor Government's pleasure. (Mainstream, November 22, 1980)

The tycoon, the communalist, the parochialist, the faddist, the extremist and radical reactionary lying coiled up and subconsciously shaping judicial mentations are menaces to judicial independence when they are at variance with Parts III and IV of the Paramount Parchment."

Judges should be of stern stuff and tough fibre, unbending before power, economic or political, and they must uphold the core principle of the rule of law which says, "Be you ever so high, the law is above you." This is the principle of independence of the judiciary which is vital for the establishment of real participatory democracy, maintenance of the rule of law as a dynamic concept and delivery of social justice to the vulnerable sections of the community. It is this principle of independence of the judiciary which we must keep in mind while interpreting the relevant provisions of the Constitution."

S. Murtaza Fazal Ali, J., on the issue of "judicial review" and the "basic structure", opined as under:-

"332. It would appear that our Constitution has devised a wholesome and effective mechanism for the appointment of Judges which strikes a just balance between the judicial and executive powers so that while the final appointment vests in the highest authority of the executive, the power is subject to a mandatory consultative process which by convention is entitled to great weight by the President. Apart from these safety valves, checks and balances at every stage, where the power of the President is abused or misused or violates any of the constitutional safeguards it is always subject to judicial review. The power of judicial review, which has been conceded by the Constitution to the judiciary, is in our opinion the safest possible safeguard not only to ensure independence of judiciary but also to prevent it from the vagaries of the executive. Another advantage of the method adopted by our Constitution is that by vesting the entire power in the President, the following important elements are introduced:

- (1) a popular element in the matter of administration of justice,
- (2) linking with judicial system the dynamic goals of a progressive society by subjecting the principles of governance to be guided by the Directive Principles of State Policy,
- (3) in order to make the judiciary an effective and powerful machinery, the Constitution contains a most onerous and complicated system by which Judges can be removed under Article 124(4), which in practice is almost an impossibility,
- (4) in order to create and subserve democratic processes the power of appointment of the judiciary in the executive has been so vested that the

head of the executive which functions through the Council of Ministers, which is a purely elected body, is made accountable to the people.

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336. This Court has in several cases held that the condition of consultation which the Governor has to exercise implies that he would have to respect the recommendations of the High Court and cannot turn it down without cogent reasons and even if he does so, it is manifest that his order is always subject to judicial review on the ground of mala fide or exceeding his jurisdiction.

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345. This, therefore, disposes of all the contentions of the counsel for the parties so far as the various aspects of interpretation of Article 222 are concerned. On a consideration, therefore, of the facts, circumstances and authorities the position is as follows:

- (1) that Article 222 expressly excludes 'consent' and it is not possible to read the word 'consent' into Article 222 and thereby whittle down the power conferred on the President under this Article,
- (2) that the transfer of a Judge or a C.J. of a High Court under Article 222 must be made in public interest or national interest,
- (3) that non-consensual transfer does not amount to punishment or involve any stigma,
- (4) that in suitable cases where mala fide is writ large on the face of it, an order of transfer made by the President would be subject to judicial review,
- (5) that the transfer of a Judge from one High Court to another does not amount to a first or fresh appointment in any sense of the term,
- (6) that a transfer made under Article 222 after complying with the conditions and circumstances mentioned above does not mar or erode the independence of judiciary.

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402. It has been vehemently argued by Mr. Seervai as also by Mr. Sorabjee who followed him that their main concern is that independence of judiciary should be maintained at all costs. Indeed, if they are really concerned that we should build up an independent judiciary then it is absolutely essential that new talents from outside should be imported in every High Court either to man it or to head it so that they may generate much greater confidence in the people than the local Judges. The position of a C.J. is indeed a very high constitutional position and our Constitution contains sufficient safeguards to protect both his decision-making process and his tenure. It is a well-known saying that power corrupts and absolute power corrupts absolutely. As man is not infallible, so is a Chief Justice, though a person holding a high judicial post is likely to be incorruptible because of the quality of sobriety and restraint that the judicial method contains. Even so, if a C.J. is from outside the State, the chances of his misusing his powers are reduced to the absolute minimum. We have pointed out that the power to formulate or evolve this policy clearly lies within the four-corners of Article 222 itself which contains a very wide power conditioned only by consultation with

C.J.I. who is the highest judicial authority in the country. It is always open to the President, which in practice means the Central Government, to lay down a policy, norms and guidelines according to which the presidential powers are to be exercised and once these norms are followed, the powers of the President would be beyond judicial review."

On the issue in hand, V.D. Tulzapurkar, J. expressed the following view:-

"624. As regards the constitutional convention or practice and the undertaking which have been pressed into service in relation to Bar recruits as Additional Judges for basing their right to be considered for their continuance on the expiry of their initial term, the learned Attorney-General appearing for the Union of India raised a two fold contention. Regarding the former he urged that a constitutional convention or practice, howsoever wholesome, cannot affect, alter or control the plain meaning of Article 224(1) which according to him gives absolute power and complete discretion to the President in the matter of continuance of sitting Additional Judges on the expiry of their initial term, the pendency of arrears being relevant only for deciding whether or not Additional Judges should be appointed and not relevant with regard to a particular person to be appointed. As regards the undertaking he pointed out that the usual undertaking obtained from a Member of the Bar in all High Courts — and for that matter even the additional undertaking that is being obtained in the Bombay High Court if properly read will show that it merely creates a binding obligation on the concerned Member of the Bar but does not create any obligation or commitment on the part of the appointing authority to make the offer of permanent Judgeship to him. It is difficult to accept either of these contentions of the learned Attorney General. It was not disputed before us that constitutional conventions and practices have importance under unwritten as well as written Constitutions and the position that conventions have a role to play in interpreting articles of a Constitution is clear from several decided cases. In U.N.R. Rao v. Indira Gandhi, (1971) 2 SCC 63, Chief Justice Sikri observed thus: (SCC p. 64, para 3)

"It was said that we must interpret Article 75(3) according to its own terms regardless of the conventions that prevail in the United Kingdom. If the words of an Article are clear, notwithstanding any relevant convention, effect will no doubt be given to the words. But it must be remembered that we are interpreting a Constitution and not an Act of Parliament, a Constitution which establishes a Parliamentary system of Government with a Cabinet. In trying to understand one may well keep in mind the conventions prevalent at the time the Constitution was framed."

In State of Rajasthan v. Union of India, (1977) 3 SCC 592, also the importance of a constitutional convention or practice by way of crystallising the otherwise vague and loose content of a power to be found in certain article has been emphasised. In the State of W.B. v. Nripendra Nath Bagchi,

AIR 1966 SC 447, the entire interpretation of the concept of 'vesting of control' over District Courts and Courts subordinate thereto in the High Court was animated by conventions and practices having regard to the history, object and purpose that lay behind the group of relevant articles, the principal purpose being, the securing of the independence of the subordinate judiciary. It is true that no constitutional convention or practice can affect, alter or control the operation of any article if its meaning is quite plain and clear but here Article 224(1) merely provides for situations when Additional Judges from duly qualified persons could be appointed to a High Court and at the highest reading the article with Section 14 of the General Clauses Act it can be said that the power conferred by that article may be exercised from time to time as occasion requires but on the question as to whether when the occasion arises to make appointment on expiry of the term of a sitting Additional Judge whether he should be continued or a fresher or outsider could be appointed by ignoring the erstwhile incumbent even when arrears continue to obtain in that High Court the article is silent and not at all clear and hence the principle invoked by the learned Attorney-General will not apply. On the other hand, it will be proper to invoke in such a situation the other well-settled principle that in construing a constitutional provision the implications which arise from the structure of the Constitution itself or from its scheme may legitimately be made and looking at Article 224(1) from this angle a wholesome constitutional convention or practice that has grown because of such implications will have to be borne in mind especially when it serves to safeguard one of the basic features which is the cardinal faith underlying our Constitution, namely, independence of the judiciary. In other words a limitation on the otherwise absolute power and discretion contained in Article 224(1) is required to be read into it because of the clear implication arising from the said cardinal faith which forms a fundamental pillar supporting the basic structure of the Constitution, as otherwise the exercise of the power in the absolute manner as suggested will be destructive of the same. That it is not sound approach to embark upon 'a strict literal reach' of any constitutional provision in order to determine its true ambit and effect is strikingly illustrated in the case of Article 368 which came up for consideration before this Court in Kesavananda Bharati case, (1973) 4 SCC 225, where this Court held that the basic or essential features of the Constitution do act as fetters or limitations on the otherwise wide amending power contained in that article. In Australia limitations on the law-making powers of the Parliament of the Federal Commonwealth over the States were read into the concerned provisions of the Constitution because of implications arising from the very federal nature of the Constitution: (vide *Lord Mayor Councillors and Citizens of the City of Melbourne v. Commonwealth*, 74 Commonwealth LR 31, and *the State of Victoria v. Commonwealth of Australia*, 122 Commonwealth LR 353). As regards the undertakings of the types mentioned above, it is true that strictly and legally speaking these undertakings only create a binding obligation on the concerned Member of the Bar and not on the appointing authority but it

cannot be forgotten that when such undertakings were thought of, the postulate underlying the same was that there was no question of the appointing authority not making the offer of permanent Judgeship to the concerned Member of the Bar but that such an offer would be made and upon the same being made the sitting Additional Judge recruited from the Bar should not decline to accept it and revert to the Bar. I am therefore clearly of the view that the aforesaid convention or practice and the undertaking serve the cause of public interest in two respects as indicated above and those two aspects of public interest confer upon these sitting Additional Judges recruited from the Bar a legitimate expectancy and the enforceable right not to be dropped illegally or at the whim or caprice of the appointing authority but to be considered for continuance in that High Court either by way of extending their term or making them permanent in preference to freshers or outsiders and it is impossible to construe Article 224(1) as conferring upon the appointing authority absolute power and complete discretion in the matter of appointment of Additional Judges to a High Court as suggested and the suggested construction has to be rejected. In view of the above discussion it is clear that there is a valid classification between proposed appointees for initial recruitment and the sitting Additional Judges whose cases for their continuance after the expiry of their initial term are to be decided and the two are not in the same position."

The observations of D.A. Desai, J. are expressed hereunder:-

"696. It may be briefly mentioned here that Writ Petition No. 274 of 1981 filed in this Court and Transferred Cases Nos. 2, 6 and 24 of 1981 were listed to be heard along with the present batch of cases with a view to avoiding the repetition of the arguments on points common to both sets of cases. In the first group of cases the question of construction of Articles 217, 224 and other connected articles prominently figured in the context of circular of the Law Minister dated March 18, 1981, seeking consent of Additional Judges for being appointed as permanent Judges in other High Courts and the short-term extensions given to Shri O.N. Vohra, Shri S.N. Kumar and Shri S.B. Wad, Additional Judges of Delhi High Court and the final non-appointment of Shri O.N. Vohra and Shri S.N. Kumar. The submission was that the circular of the Law Minister manifests a covert attempt to transfer Additional Judges from one High Court to other High Court without consulting the Chief Justice of India as required by Article 222(1) and thereby circumventing the majority decision in Union of India v. Sankalchand Himatlal Sheth, (1977) 4 SCC 193. The central theme was the scope, ambit and content of consultation which the President must have with the three constitutional functionaries set out in Article 217(1). In the second group of cases, the question arose in the context of transfer of Shri K.B.N. Singh, Chief Justice of Patna High Court as Chief Justice of Madras High Court consequent upon the transfer of Shri M.M. Ismail, Chief Justice of Madras High Court as Chief Justice of Kerala High Court by Presidential Notification dated January 19, 1981, in exercise of the

power conferred upon him by Article 222. The controversy centred down the scope, ambit and content of consultation that the President must have with the Chief Justice of India before exercising the power to transfer under Article 222. Thus, the scope, ambit and content of consultation under Article 217 as also one of Article 222 which, as Mr Seervai stated, was more or less the same though the different facets on which consultation must be focussed may differ in the case of transfer and in the case of appointment, figured prominently in both the groups of cases. The parameters of scope, ambit and content of consultation both under Articles 217(1), 222 and 224, were drawn on a wide canvas to be tested on the touchstone of independence of judiciary being the fighting faith and fundamental and basic feature of the Constitution. It was stated that if the consultation itself is to provide a reliable safeguard against arbitrary and naked exercise of power against judiciary, the procedure of consultation must be so extensive as to cover all aspects of the matter and it must be made so firm and rigid that any contravention or transgression of it would be treated as mala fide or subversive of independence of judiciary and the decision can be corrected by judicial review. Therefore, at the outset it is necessary to be properly informed as to the concept of independence of judiciary as set out in the Constitution.

697. The entire gamut of arguments revolved principally round the construction of Articles 217 and 224 in one batch of petitions and Article 222 in another batch but the canvas was spread wide covering various other articles of the Constitution, analogous provisions in previous Government of India Acts, similar provisions in other democratic constitutions and reports of Law Commission. Rival constructions canvassed centred upon the pivotal assumption that independence of judiciary is a basic and fundamental feature of the Constitution which has its genesis in the power of judicial review which enables the court to declare executive and legislative actions ultra vires the Constitution. In this connection we are not starting on a clean slate as the contention in this very form and for an avowed object was widely canvassed in *Sankalchand Himatlal Sheth v. Union of India*, (1976) 17 Guj LR 1017 (FB), and in *Union of India v. Sankalchand Himatlal Sheth* (supra). Some additional dimensions were added to this basic concept of independence of judiciary while both the parties vied with each other as in the past (see statement of Shri S.V. Gupte, then Attorney-General in *Sheth* case (supra), on proclaiming their commitment to independence of judiciary though in its scope and content and approach there was a marked divergence.

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771. Now, power is conferred on the President to make appointment of Judge of Supreme Court after consultation with such of the Judges of the Supreme Court and of the High Courts in the States as the President may deem necessary. The submission is that the expression 'may deem necessary' qualifies the expression 'consultation' and that if he deems otherwise the President can proceed to make appointment of the Chief Justice of India without consultation with any of the Judges of the Supreme

Court and of the High Courts. In other words, it was submitted on behalf of the respondents, the President has a discretion to consult or not to consult Judges of the Supreme Court and High Courts before making appointment of Chief Justice of India. It was pointed out that where consultation is obligatory it is specifically provided and reference was made to the proviso extracted hereinabove wherein it is stated that it would be obligatory upon the President to consult the Chief Justice of India before making appointment of a Judge of the Supreme Court other than the Chief Justice of India. Undoubtedly, the proviso leaves no option to the President but to consult the Chief Justice of India while making appointment of a Judge of the Supreme Court other than the Chief Justice of India, but it is rather difficult to accept the construction as suggested on behalf of the respondents that in making appointment of the Chief Justice of India the President is at large and may not consult any functionary in the judicial branch of the State before making appointment of Chief Justice of India. The expression 'may deem necessary' qualifies the number of Judges of the Supreme Court and High Courts to be consulted. What is optional is selection of number of Judges to be consulted and not the consultation because the expression 'shall be appointed after consultation' would mandate consultation. An extreme submission that the President may consult High Court Judges for appointment of the Chief Justice of India omitting altogether Supreme Court Judges does not commend to us, because the consultation with 'such of the Judges of the Supreme Court and of the High Courts' would clearly indicate that the consultation has to be with some Judges of the Supreme Court and some Judges of the High Courts. The conjunction 'and' is clearly indicative of the intendment of the framers of the Constitution. If there was disjunctive 'or' between Supreme Court and High Courts in sub-article (2) of Article 124 there could have been some force in the submission that the President may appoint Chief Justice of India ignoring the Supreme Court and after consulting some High Court Judges. Undoubtedly, sub-article (2) does not cast an obligation to consult all Judges of the Supreme Court and all Judges of the High Courts but in practical working the President in order to discharge his function of selecting the best suitable person to be the Chief Justice of India must choose such fair sprinkling of Supreme Court and High Court Judges as would enable him to gather enough and relevant material which would help him in decision-making process. Mr Seervai submitted that this Court must avoid such construction of Article 124 which would enable the President to appoint Chief Justice of India without consultation with any judicial functionaries. That is certainly correct. But then he proceeded to suggest a construction where, by a constitutional convention, any necessity of consultation would be obviated and yet the executive power to be choosy and selective in appointment of Chief Justice of India can be controlled or thwarted. He said that a constitutional convention must be read that the seniormost amongst the puisne Judges of the Supreme Court should as a rule be appointed as Chief Justice of India except when he is physically unfit to shoulder the responsibilities. This constitutional

convention, it was said, when read in Article 124(2) would obviate any necessity of consultation with any functionary in the judicial branch before making appointment of Chief Justice of India and yet would so circumscribe the power of the President as not to enable the executive to choose a person of its bend and thinking. In this very context it was pointed out that Article 126 permits the President to appoint even the juniormost Judge of the Supreme Court to be an acting Chief Justice of India and it was said that such an approach or such construction of Article 126 would be subversive of the independence of judiciary. It was said that if the juniormost can be appointed acting Chief Justice of India, every Judge in order to curry favour would decide in favour of executive. And as far as Article 124 is concerned it was said that if the convention of seniority is not read in Article 124(2), every Judge of the Supreme Court would be a possible candidate for the office of Chief Justice of India and on account of personal bias would be disqualified from being consulted. There is no warrant for such an extreme position and the reflection on the Judges of the Supreme Court is equally unwarranted. On the construction as indicated above there will be positive limitation on the power of the President while making appointment of Chief Justice of India and it is not necessary to read any limitation on the power of the President under Article 126 while making appointment of a Judge of the Supreme Court as acting Chief Justice of India. But the observation is incidental to the submission and may be examined in an appropriate case. And the question of construction is kept open.

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775. It was also stated that the expression 'obtain' in the circular has the element of coercion and a consent ceases to be consent if it is obtained under coercion. It was said that consent and coercion go ill together because forced assent would not be consent in the eye of law. It was said that the threat implicit in the circular becomes evident because the Chief Minister, the strong arm of the executive is being asked to obtain consent. If every little thing is looked upon with suspicion and as an attack on the independence of judiciary, it becomes absolutely misleading. Law Minister, if he writes directly to the Chief Justice or the Judge concerned, propriety of the action may be open to question. Chandrachud, J., has warned in Sheth case (supra) that the executive cannot and ought not to establish rapport with Judges (SCR p. 456 CD : SCC p. 230, para 43). Taking this direction in its letter and spirit, the Law Minister wrote to the Chief Ministers. The Chief Minister in turn was bound to approach the Chief Justice. This is also known to be a proper communication channel with Judges of High Court. In this context the expression 'obtain' would only mean request the Judge to give consent if he so desires. If he gives the consent, well and good, and if does not give, no evil consequences are likely to ensue. I am not impressed by the submission of the learned Attorney-General that one who gives consent may have some advantage over the one who does not. I do not see any remote advantage and if any such advantage is given and if charge of victimisation is made out by the Judge not

giving consent, the arm of judicial review is strong enough to rectify the executive error.

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815. The public interest like public policy is an unruly horse and is incapable of any precise definition and, therefore, it was urged that this safeguard is very vague and of doubtful utility. It was urged that these safeguards failed to checkmate the arbitrary exercise of power in 1976. This approach overlooks the fact that the Lakshman Rekha drawn by the safeguards when transgressed or crossed, the judicial review will set at naught the mischief. True it is that it is almost next to impossible for individual Judge of a High Court to knock at the doors of the Courts because access to justice is via the insurmountable mountain of costs and expenses. This need not detain us because we have seen that in time of crisis the Bar has risen to the occasion twice over in near past though it must be conceded that judicial review is increasingly becoming the preserve of the high, mighty and the affluent. But the three safeguards, namely, full and effective consultation with the Chief Justice of India, and that the power to transfer can be exercised in public interest, and judicial review, would certainly insulate independence of judiciary against an attempt by the executive to control it."

Last of all, reference may be made to the observations of E.S. Venkataramiah, J., (as he then was) who held as under:-

"1245. The question of policy is a matter entirely for the President to decide. Even though the Chief Justice of India is consulted in that behalf by the President since the policy relates to the High Courts, his opinion is not binding on the President. It is open to the President to adopt any policy which is subject only to the judicial review by the Court. Under Article 222 of the Constitution the Chief Justice of India has to be consulted on the question whether a particular Judge should be transferred and where he should be transferred while implementing the said policy. If the Government requests the Chief Justice of India to give his opinion on a transfer to implement the said policy which is really in the public interest he cannot decline to do so. Even though the Chief Justice was opposed to the 'wholesale transfers' of Judges there is no bar for the Government treating the recommendation for transfers made by the Chief Justice of India as a part of the implementation of its policy. That the transfer of Shri K.B.N. Singh was on account of the policy of the Government can be gathered from the following statements in the affidavits filed before this Court: In para 8 of the affidavit dated September 16, 1981 of Shri K.B.N. Singh it is stated: "When the deponent wanted to know why he might be transferred to Madras, the Hon'ble Chief Justice of India merely said that it was the Government policy, but gave no clue as to what necessitated his transfer from Patna to Madras." In para 2(g) of the affidavit of the Chief Justice of India he has stated: "I deny that when Shri K.B.N. Singh

wanted to know over the telephone on January 5, 1981, I stated merely that it was the 'Government policy'....". In paragraph 8 of the rejoinder-affidavit dated October 16, 1981 of Shri K.B.N. Singh, it is stated "at one point he also said that it was Government policy to effect transfer in batches of two or three".

59. The sequence of judgments would now lead us to the judgment of this Court in *S.P. Sampath Kumar v. Union of India*, (1987) 1 SCC 124. The view expressed by a bench of 5 Hon'ble Judges of this Court in the above case, was in respect of a controversy quite similar to the one in hand. In the instant judgment, the constitutional vires of the Administrative Tribunals Act, 1985 was under challenge. The above Act was framed under Article 323A of the Constitution. Article 323A was introduced in the Constitution by the Constitution (Forty-second Amendment) Act, 1976. The main judgment was delivered by Ranganath Misra, J. (as he then was) on behalf of himself and V. Khalid, G.L. Oza and M.M. Dutt. JJ. Insofar as the concurring view rendered by P.N. Bhagwati, CJ is concerned, the conclusion recorded in the following paragraphs has a bearing on the present controversy.

"3. It is now well settled as a result of the decision of this Court in *Minerva Mills Ltd. v. Union of India*, (1980) 3 SCC 625, that judicial review is a basic and essential feature of the Constitution and no law passed by Parliament in exercise of its constituent power can abrogate it or take it away. If the power of judicial review is abrogated or taken away the Constitution will cease to be what it is. It is a fundamental principle of our constitutional scheme that every organ of the State, every authority under the Constitution, derives its power from the Constitution and has to act within the limits of such power. It is a limited government which we have under the Constitution and both the executive and the legislature have to act within the limits of the power conferred upon them under the Constitution. Now a question may arise as to what are the powers of the executive and whether the executive has acted within the scope of its power. Such a question obviously cannot be left to the executive to decide and for two very good reasons. First the decision of the question would depend upon the interpretation of the Constitution and the

laws and this would pre-eminently be a matter fit to be decided by the judiciary, because it is the judiciary which alone would be possessed of expertise in this field and secondly, the constitutional and legal protection afforded to the citizen would become illusory, if it were left to the executive to determine the legality of its own action. So also if the legislature makes a law and a dispute arises whether in making the law, the legislature has acted outside the area of its legislative competence or the law is violative of the fundamental rights or of any other provisions of the Constitution, its resolution cannot, for the same reasons, be left to the determination of the legislature. The Constitution has, therefore created an independent machinery for resolving these disputes and this independent machinery is the judiciary which is vested with the power of judicial review to determine the legality of executive action and the validity of legislation passed by the legislature. The judiciary is constituted the ultimate interpreter of the Constitution and to it is assigned the delicate task of determining what is the extent and scope of the power conferred on each branch of government, what are the limits on the exercise of such power under the Constitution and whether any action of any branch transgresses such limits. It is also a basic principle of the rule of law which permeates every provision of the Constitution and which forms its very core and essence that the exercise of power by the executive or any other authority must not only be conditioned by the Constitution but also be in accordance with law and it is the judiciary which has to ensure that the law is observed and there is compliance with the requirements of law on the part of the executive and other authorities. This function is discharged by the judiciary by exercise of the power of judicial review which is a most potent weapon in the hands of the judiciary for maintenance of the Rule of Law. The power of judicial review is an integral part of our constitutional system and without it, there will be no government of laws and the Rule of Law would become a teasing illusion and a promise of unreality. That is why I observed in my judgment in Minerva Mills Ltd. case (supra) at p. 287 and 288: (SCC p. 678, para 87)

"I am of the view that if there is one feature of our Constitution which, more than any other, is basic and fundamental to the maintenance of democracy and the rule of law, it is the power of judicial review and it is unquestionably, to my mind, part of the basic structure of the Constitution. Of course, when I say this I should not be taken to suggest that effective alternative institutional mechanisms or arrangements for judicial review cannot be made by Parliament. But what I wish to emphasise is that judicial review is a vital principle of our Constitution and it cannot be abrogated without affecting the basic structure of the Constitution. If by a constitutional amendment, the power of judicial review is taken away and it is provided that the validity of any law made by the legislature shall not be liable to be called in question on any ground, even if it is outside the legislative competence of the legislature or is violative of any fundamental rights, it would be

nothing short of subversion of the Constitution, for it would make a mockery of the distribution of legislative powers between the Union and the States and render the fundamental rights meaningless and futile. So also if a constitutional amendment is made which has the effect of taking away the power of judicial review and providing that no amendment made in the Constitution shall be liable to be questioned on any ground, even if such amendment is violative of the basic structure and, therefore, outside the amendatory power of Parliament, it would be making Parliament sole judge of the constitutional validity of what it has done and that would, in effect and substance, nullify the limitation on the amending power of Parliament and affect the basic structure of the Constitution. The conclusion must therefore inevitably follow that clause (4) of the Article 368 is unconstitutional and void as damaging the basic structure of the Constitution."

It is undoubtedly true that my judgment in Minerva Mills Ltd. case (supra) was a minority judgment but so far as this aspect is concerned, the majority Judges also took the same view and held that judicial review is a basic and essential feature of the Constitution and it cannot be abrogated without affecting the basic structure of the Constitution and it is equally clear from the same decision that though judicial review cannot be altogether abrogated by Parliament by amending the Constitution in exercise of its constituent power, Parliament can certainly, without in any way violating the basic structure doctrine, set up effective alternative institutional mechanisms or arrangements for judicial review. The basic and essential feature of judicial review cannot be dispensed with but it would be within the competence of Parliament to amend the Constitution so as to substitute in place of the High Court, another alternative institutional mechanism or arrangement for judicial review, provided it is no less efficacious than the High Court. Then, instead of the High Court, it would be another institutional mechanism or authority which would be exercising the power of judicial review with a view to enforcing the constitutional limitations and maintaining the rule of law. Therefore, if any constitutional amendment made by Parliament takes away from the High Court the power of judicial review in any particular area and vests it in any other institutional mechanism or authority, it would not be violative of the basic structure doctrine, so long as the essential condition is fulfilled, namely, that the alternative institutional mechanism or authority set up by the parliamentary amendment is no less effective than the High Court.

4. Here, in the present case, the impugned Act has been enacted by Parliament in exercise of the power conferred by clause (1) of Article 323-A which was introduced in the Constitution by Constitution (42nd Amendment) Act, 1976. Clause (2)(d) of this article provides that a law made by Parliament under clause (1) may exclude the jurisdiction of courts, except the jurisdiction of the Supreme Court under Article 136, with respect to the disputes or complaints referred to in clause (1). The exclusion of the jurisdiction of the High Court under Articles 226 and 227 by any law made by Parliament under

clause (1) of Article 323-A is, therefore, specifically authorised by the constitutional amendment enacted in clause (2)(d) of that article. It is clear from the discussion in the preceding para that this constitutional amendment authorising exclusion of the jurisdiction of the High Court under Articles 226 and 227 postulates for its validity that the law made under clause (1) of Article 323-A excluding the jurisdiction of the High Court under Articles 226 and 227 must provide for an effective alternative institutional mechanism or authority for judicial review. If this constitutional amendment were to permit a law made under clause (1) of Article 323-A to exclude the jurisdiction of the High Court under Articles 226 and 227 without setting up an effective alternative institutional mechanism or arrangement for judicial review, it would be violative of the basic structure doctrine and hence outside the constituent power of Parliament. It must, therefore, be read as implicit in this constitutional amendment that the law excluding the jurisdiction of the High Court under Articles 226 and 227 permissible under it must not leave a void but it must set up another effective institutional mechanism or authority and vest the power of judicial review in it. Consequently, the impugned Act excluding the jurisdiction of the High Court under Articles 226 and 227 in respect of service matters and vesting such jurisdiction in the Administrative Tribunal can pass the test of constitutionality as being within the ambit and coverage of clause (2)(d) of Article 323-A, only if it can be shown that the Administrative Tribunal set up under the impugned Act is equally efficacious as the High Court, so far as the power of judicial review over service matters is concerned. We must, therefore, address ourselves to the question whether the Administrative Tribunal established under the impugned Act can be regarded as equally effective and efficacious in exercising the power of judicial review as the High Court acting under Articles 226 and 227 of the Constitution."

Extracts from the judgment rendered by Ranganath Misra, J. (as he then was) are first of all being reproduced hereunder:-

"10. In the writ applications as presented, the main challenge was to the abolition of the jurisdiction of this Court under Article 32 in respect of specified service disputes. Challenge was also raised against the taking away of the jurisdiction of the High Court under Articles 226 and 227. It was further canvassed that establishment of Benches of the Tribunal at Allahabad, Bangalore, Bombay, Calcutta, Gauhati, Madras and Nagpur with the principal seat at Delhi would still prejudice the parties whose cases were already pending before the respective High Courts located at places other than these places and unless at the seat of every High Court facilities for presentation of applications and for hearing thereof were provided the parties and their lawyers would be adversely affected. The interim order made on October 31, 1985, made provision to meet the working difficulties. Learned Attorney-

General on behalf of the Central Government assured the court that early steps would be taken to amend the law so as to save the jurisdiction under Article 32, remove other minor anomalies and set up a Bench of the Tribunal at the seat of every High Court. By the Administrative Tribunals (Amendment) Ordinance, 1986, these amendments were brought about and by now an appropriate Act of Parliament has replaced the Ordinance. Most of the original grounds of attack thus do not survive and the contentions that were canvassed at the hearing by the counsel appearing for different parties are these:

(1) Judicial review is a fundamental aspect of the basic structure of our Constitution and bar of the jurisdiction of the High Court under Articles 226 and 227 as contained in Section 28 of the Act cannot be sustained;

(2) Even if the bar of jurisdiction is upheld, the Tribunal being a substitute of the High Court, its constitution and set up should be such that it would in fact function as such substitute and become an institution in which the parties could repose faith and trust;

(3) Benches of the Tribunal should not only be established at the seat of every High Court but should be available at every place where the High Courts have permanent Benches;

(4) So far as Tribunals set up or to be set up by the Central or the State Governments are concerned, they should have no jurisdiction in respect of employees of the Supreme Court or members of the subordinate judiciary and employees working in such establishments inasmuch as exercise of jurisdiction of the Tribunal would interfere with the control absolutely vested in the respective High Courts in regard to the judicial and other subordinate officers under Article 235 of the Constitution.

11. After oral arguments were over, learned Attorney-General, after obtaining instructions from the Central Government filed a memorandum to the effect that Section 2(q) of the Act would be suitably amended so as to exclude officers and servants in the employment of the Supreme Court and members and staff of the subordinate judiciary from the purview of the Act. In the same memorandum it has also been said that Government would arrange for sittings of the Benches of the Tribunal at the seat or seats of each High Court on the basis that 'sittings' will include 'circuit sittings' and the details thereof would be worked out by the Chairman or the Vice-Chairman concerned.

12. With these concessions made by the learned Attorney-General, only two aspects remain to be dealt with by us, namely, those covered by the first and the second contentions.

13. Strong reliance was placed on the judgment of Bhagwati, J. (one of us — presently the learned Chief Justice) in *Minerva Mills Ltd. v. Union of India*, (1980) 3 SCC 625, where it was said: (SCC p. 678, para 87)

"The power of judicial review is an integral part of our constitutional system and without it, there will be no government of laws and the rule of law would become a teasing illusion and a promise of unreality. I am

of the view that if there is one feature of our Constitution which, more than any other, is basic and fundamental to the maintenance of democracy and the rule of law, it is the power of judicial review and it is unquestionably, to my mind, part of the basic structure of the Constitution. Of course, when I say this I should not be taken to suggest that effective alternative institutional mechanisms or arrangements for judicial review cannot be made by Parliament. But what I wish to emphasise is that judicial review is a vital principle of our Constitution and it cannot be abrogated without affecting the basic structure of the Constitution. If by a constitutional amendment, the power of judicial review is taken away and it is provided that the validity of any law made by the legislature shall not be liable to be called in question on any ground, even if it is outside the legislative competence of the legislature or is violative of any fundamental rights, it would be nothing short of subversion of the Constitution, for it would make a mockery of the distribution of legislative powers between the Union and the States and render the fundamental rights meaningless and futile. So also if a constitutional amendment is made which has the effect of taking away the power of judicial review..."

14. Article 32 was described by Dr Ambedkar in course of the debate in the Constituent Assembly as the 'soul' and 'heart' of the Constitution and it is in recognition of this position that though Article 323-A(2)(d) authorised exclusion of jurisdiction under Article 32 and the original Act had in Section 28 provided for it, by amendment jurisdiction under Article 32 has been left untouched. The Act thus saves jurisdiction of this Court both under Article 32 in respect of original proceedings as also under Article 136 for entertaining appeals against decisions of the Tribunal on grant of special leave. Judicial review by the Apex Court has thus been left intact.

15. The question that arises, however, for consideration is whether bar of jurisdiction under Articles 226 and 227 affects the provision for judicial review. The right to move the High Court in its writ jurisdiction — unlike the one under Article 32 — is not a fundamental right. Yet, the High Courts, as the working experience of three-and-a-half decades shows have in exercise of the power of judicial review played a definite and positive role in the matter of preservation of fundamental and other rights and in keeping administrative action under reasonable control. In these thirty-six years following the enforcement of the Constitution, not only has India's population been more than doubled but also the number of litigations before the courts including the High Courts has greatly increased. As the pendency in the High Courts increased and soon became the pressing problem of backlog, the nation's attention came to be bestowed on this aspect. Ways and means to relieve the High Courts of the load began to engage the attention of the government at the Centre as also in the various States. As early as 1969, a Committee was set up by the Central Government under the chairmanship of Mr Justice Shah of this Court to make recommendations suggesting ways and means for

effective, expeditious and satisfactory disposal of matters relating to service disputes of government servants as it was found that a sizeable portion of pending litigations related to this category. The Committee recommended the setting up of an independent Tribunal to handle the pending cases before this Court and the High Courts. While this report was still engaging the attention of government, the Administrative Reforms Commission also took note of the situation and recommended the setting up of Civil Services Tribunals to deal with appeals of Government servants against disciplinary action. In certain States, Tribunals of this type came into existence and started functioning. But the Central Government looked into the matter further as it transpired that the major chunk of service litigations related to matters other than disciplinary action. In May 1976, a Conference of Chief Secretaries of the States discussed this problem. Then came the Forty-second Amendment of the Constitution bringing in Article 323-A which authorized Parliament to provide by law "for the adjudication or trial by Administrative Tribunals of disputes and complaints with respect to recruitment and conditions of service of persons appointed to public services and posts in connection with the affairs of the Union or of any State or of any local or other authority within the territory of India or under the control of the Government of India or of any Corporation owned or controlled by the government". As already stated this article envisaged exclusion of the jurisdiction of all courts, except the jurisdiction of the Supreme Court under Article 136, with respect to the disputes or complaints referred to in clause (1). Though the Constitution now contained the enabling power, no immediate steps were taken to set up any Tribunal as contemplated by Article 323-A. A Constitution Bench of this Court in K.K. Dutta v. Union of India, (1980) 4 SCC 38, observed: [SCC p. 39, para 1 : SCC (L & S) p. 486]

"There are few other litigative areas than disputes between members of various services inter se, where the principle that public policy requires that all litigation must have an end can apply with greater force. Public servants ought not to be driven or required to dissipate their time and energy in courtroom battles. Thereby their attention is diverted from public to private affairs and their inter se disputes affect their sense of oneness without which no institution can function effectively. The constitution of Service Tribunals by State Governments with an apex Tribunal at the Centre, which, in the generality of cases, should be the final arbiter of controversies relating to conditions of service, including the vexed question of seniority, may save the courts from the avalanche of writ petitions and appeals in service matters. The proceedings of such Tribunals can have the merit of informality and if they will not be tied down to strict rules of evidence, they might be able to produce solutions which will satisfy many..."

In the meantime the problem of the backlog of cases in the High Courts became more acute and pressing and came to be further discussed in Parliament and in conferences and seminars. Ultimately in January 1985,

both Houses of Parliament passed the Bill and with the Presidential assent on February 27, 1985, the law enabling the long awaited Tribunal to be constituted came into existence. As already noticed, the Central Government notified the Act to come into force with effect from November 1, 1985.

16. Exclusion of the jurisdiction of the High Courts in service matters and its propriety as also validity have thus to be examined in the background indicated above. We have already seen that judicial review by this Court is left wholly unaffected and thus there is a forum where matters of importance and grave injustice can be brought for determination or rectification. Thus exclusion of the jurisdiction of the High Court does not totally bar judicial review. This Court in Minerva Mills' case (supra) did point out that "effective alternative institutional mechanisms or arrangements for judicial review" can be made by Parliament. Thus it is possible to set up an alternative institution in place of the High Court for providing judicial review. The debates and deliberations spread over almost two decades for exploring ways and means for relieving the High Courts of the load of backlog of cases and for assuring quick settlement of service disputes in the interest of the public servants as also the country cannot be lost sight of while considering this aspect. It has not been disputed before us - and perhaps could not have been - that the Tribunal under the scheme of the Act would take over a part of the existing backlog and a share of the normal load of the High Courts. The Tribunal has been contemplated as a substitute and not as supplemental to the High Court in the scheme of administration of justice. To provide the Tribunal as an additional forum from where parties could go to the High Court would certainly have been a retrograde step considering the situation and circumstances to meet which the innovation has been brought about. Thus barring of the jurisdiction of the High Court can indeed not be a valid ground of attack.

17. What, however, has to be kept in view is that the Tribunal should be a real substitute of the High Court - not only in form and *de jure* but in content and *de facto*. As was pointed out in Minerva's Mills case (supra), the alternative arrangement has to be effective and efficient as also capable of upholding the constitutional limitations. Article 16 of the Constitution guarantees equality of opportunity in matters of public employment. Article 15 bars discrimination on grounds of religion, race, caste, sex or place of birth. The touch-stone of equality enshrined in Article 14 is the greatest of guarantees for the citizen. Centering around these articles in the Constitution a service jurisprudence has already grown in this country. Under Sections 14 and 15 of the Act all the powers of the Courts except those of this Court in regard to matters specified therein vest in the Tribunal -- either Central or State. Thus the Tribunal is the substitute of the High Court and is entitled to exercise the powers thereof.

18. The High Courts have been functioning over a century and a quarter and until the Federal Court was established under the Government of India Act, 1935, used to be the highest courts within their respective

jurisdictions subject to an appeal to the Privy Council in a limited category of cases. In this long period of about six scores of years, the High Courts have played their role effectively, efficiently as also satisfactorily. The litigant in this country has seasoned himself to look upto the High Court as the unfailing protector of his person, property and honour. The institution has served its purpose very well and the common man has thus come to repose great confidence therein. Disciplined, independent and trained Judges well versed in law and working with all openness in an unattached and objective manner have ensured dispensation of justice over the years. Aggrieved people approach the Court - the social mechanism to act as the arbiter - not under legal obligation but under the belief and faith that justice shall be done to them and the State's authorities would implement the decision of the Court. It is, therefore, of paramount importance that the substitute institution - the Tribunal - must be a worthy successor of the High Court in all respects. That is exactly what this Court intended to convey when it spoke of an alternative mechanism in Minerva Mills' case (supra)."

60. Reference may also be made to the decision rendered by this Court in L. Chandra Kumar v. Union of India, (1997) 3 SCC 261. The instant decision was rendered by a constitution bench of 7 Judges. The question which arose for determination in the instant judgment was, whether the power conferred upon the Parliament and the State legislatures vide Articles 323A(2)(d) and 323B(3)(d) totally excluding the jurisdiction of "all courts" except the Supreme Court, under Article 136 of the Constitution, violated the "basic structure" of the Constitution. In other words, the question was, whether annulling/retracting the power of "judicial review" conferred on High Courts (under Articles 226 and 227 of the Constitution) and on the Supreme Court (under Article 32 of the Constitution), was violative of the "basic structure" of the Constitution. Furthermore, whether the tribunals constituted under Articles 323A and 323B of the Constitution, possess the competence to test the constitutional validity of statutory provisions/rules? And also, whether Tribunals constituted under Articles 323A

and 323B of the Constitution could be said to be effective substitutes of the jurisdiction vested in the High Courts? And if not, what changes were required? The above controversy came to be referred to the constitution bench in furtherance of an order passed in *L. Chandra Kumar v. Union of India*, (1995) 1 SCC 400, on account of the decisions rendered in post *S.P. Sampath Kumar* cases (*supra*), namely, *J.B. Chopra v. Union of India*, (1987) 1 SCC 422, *M.B. Majumdar v. Union of India*, (1990) 4 SCC 501, *Amulya Chandra Kalita v. Union of India*, (1991) 1 SCC 181, *R.K. Jain v. Union of India*, (1993) 4 SCC 119, and *Dr. Mahabali Ram v. Indian Council of Agricultural Research*, (1994) 2 SCC 410. On the issues which are relevant to the present controversy, this Court observed as under:-

"76. To express our opinion on the issue whether the power of judicial review vested in the High Courts and in the Supreme Court under Articles 226/227 and 32 is part of the basic structure of the Constitution, we must first attempt to understand what constitutes the basic structure of the Constitution. The doctrine of basic structure was evolved in *Kesavananda Bharati case*, (1973) 4 SCC 225. However, as already mentioned, that case did not lay down that the specific and particular features mentioned in that judgment alone would constitute the basic structure of our Constitution. Indeed, in the judgments of Shelat and Grover, JJ., Hegde and Mukherjea, JJ. and Jaganmohan Reddy, J., there are specific observations to the effect that their list of essential features comprising the basic structure of the Constitution are illustrative and are not intended to be exhaustive. In *Indira Gandhi case*, 1975 Supp. SCC 1, Chandrachud, J. held that the proper approach for a Judge who is confronted with the question whether a particular facet of the Constitution is part of the basic structure, is to examine, in each individual case, the place of the particular feature in the scheme of our Constitution, its object and purpose, and the consequences of its denial on the integrity of our Constitution as a fundamental instrument for the governance of the country. (*supra* at pp. 751-752). This approach was specifically adopted by Bhagwati, J. in *Minerva Mills case*, (1980) 3 SCC 625, (at pp. 671-672) and is not regarded as the definitive test in this field of Constitutional Law.

77. We find that the various factors mentioned in the test evolved by Chandrachud, J. have already been considered by decisions of various Benches of this Court that have been referred to in the course of our analysis. From their conclusions, many of which have been extracted by us in toto, it appears that this Court has always considered the power of judicial review vested in the High Courts and in this Court under Articles 226 and 32 respectively, enabling legislative action to be subjected to the scrutiny of superior courts, to be integral to our constitutional scheme. While several judgments have made specific references to this aspect [Gajendragadkar, C.J. in *Keshav Singh case*, AIR 1965 SC 745, Beg, J. and Khanna, J. in *Kesavananda Bharati case* (supra), Chandrachud, C.J. and Bhagwati, J. in *Minerva Mills* (supra), Chandrachud, C.J. in *Fertilizer Kamgar*, (1981) 1 SCC 568, K.N. Singh, J. in *Delhi Judicial Service Assn.*, (1991) 4 SCC 406] the rest have made general observations highlighting the significance of this feature.

78. The legitimacy of the power of courts within constitutional democracies to review legislative action has been questioned since the time it was first conceived. The Constitution of India, being alive to such criticism, has, while conferring such power upon the higher judiciary, incorporated important safeguards. An analysis of the manner in which the Framers of our Constitution incorporated provisions relating to the judiciary would indicate that they were very greatly concerned with securing the independence of the judiciary. These attempts were directed at ensuring that the judiciary would be capable of effectively discharging its wide powers of judicial review. While the Constitution confers the power to strike down laws upon the High Courts and the Supreme Court, it also contains elaborate provisions dealing with the tenure, salaries, allowances, retirement age of Judges as well as the mechanism for selecting Judges to the superior courts. The inclusion of such elaborate provisions appears to have been occasioned by the belief that, armed by such provisions, the superior courts would be insulated from any executive or legislative attempts to interfere with the making of their decisions. The Judges of the superior courts have been entrusted with the task of upholding the Constitution and to this end, have been conferred the power to interpret it. It is they who have to ensure that the balance of power envisaged by the Constitution is maintained and that the legislature and the executive do not, in the discharge of their functions, transgress constitutional limitations. It is equally their duty to oversee that the judicial decisions rendered by those who man the subordinate courts and tribunals do not fall foul of strict standards of legal correctness and judicial independence. The constitutional safeguards which ensure the independence of the Judges of the superior judiciary, are not available to the Judges of the subordinate judiciary or to those who man tribunals created by ordinary legislations. Consequently, Judges of the latter category can never be considered full and effective substitutes for the superior judiciary in discharging the

function of constitutional interpretation. We, therefore, hold that the power of judicial review over legislative action vested in the High Courts under Article 226 and in this Court under Article 32 of the Constitution is an integral and essential feature of the Constitution, constituting part of its basic structure. Ordinarily, therefore, the power of High Courts and the Supreme Court to test the constitutional validity of legislations can never be ousted or excluded.

79. We also hold that the power vested in the High Courts to exercise judicial superintendence over the decisions of all courts and tribunals within their respective jurisdictions is also part of the basic structure of the Constitution. This is because a situation where the High Courts are divested of all other judicial functions apart from that of constitutional interpretation, is equally to be avoided.

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96. It has been brought to our notice that one reason why these Tribunals have been functioning inefficiently is because there is no authority charged with supervising and fulfilling their administrative requirements. To this end, it is suggested that the Tribunals be made subject to the supervisory jurisdiction of the High Courts within whose territorial jurisdiction they fall. We are, however, of the view that this may not be the best way of solving the problem. We do not think that our constitutional scheme requires that all adjudicatory bodies which fall within the territorial jurisdiction of the High Courts should be subject to their supervisory jurisdiction. If the idea is to divest the High Courts of their onerous burdens, then adding to their supervisory functions cannot, in any manner, be of assistance to them. The situation at present is that different Tribunals constituted under different enactments are administered by different administrative departments of the Central and the State Governments. The problem is compounded by the fact that some Tribunals have been created pursuant to Central Legislations and some others have been created by State Legislations. However, even in the case of Tribunals created by parliamentary legislations, there is no uniformity in administration. We are of the view that, until a wholly independent agency for the administration of all such Tribunals can be set up, it is desirable that all such Tribunals should be, as far as possible, under a single nodal ministry which will be in a position to oversee the working of these Tribunals. For a number of reasons that Ministry should appropriately be the Ministry of Law. It would be open for the Ministry, in its turn, to appoint an independent supervisory body to oversee the working of the Tribunals. This will ensure that if the President or Chairperson of the Tribunal is for some reason unable to take sufficient interest in the working of the Tribunal, the entire system will not languish and the ultimate consumer of justice will not suffer. The creation of a single umbrella organisation will, in our view, remove many of the ills of the present system. If the need arises, there can be separate umbrella organisations at the Central and the State

levels. Such a supervisory authority must try to ensure that the independence of the members of all such Tribunals is maintained. To that extent, the procedure for the selection of the members of the Tribunals, the manner in which funds are allocated for the functioning of the Tribunals and all other consequential details will have to be clearly spelt out.

97. The suggestions that we have made in respect of appointments to Tribunals and the supervision of their administrative function need to be considered in detail by those entrusted with the duty of formulating the policy in this respect. That body will also have to take into consideration the comments of expert bodies like the LCI and the Malimath Committee in this regard. We, therefore, recommend that the Union of India initiate action in this behalf and after consulting all concerned, place all these Tribunals under one single nodal department, preferably the Legal Department.

98. Since we have analysed the issue of the constitutional validity of Section 5(6) of the Act at length, we may now pronounce our opinion on this aspect. Though the vires of the provision was not in question in *Dr Mahabal Ram case*, (1994) 2 SCC 401, we believe that the approach adopted in that case, the relevant portion of which has been extracted in the first part of this judgment, is correct since it harmoniously resolves the manner in which Sections 5(2) and 5(6) can operate together. We wish to make it clear that where a question involving the interpretation of a statutory provision or rule in relation to the Constitution arises for the consideration of a Single Member Bench of the Administrative Tribunal, the proviso to Section 5(6) will automatically apply and the Chairman or the Member concerned shall refer the matter to a Bench consisting of at least two Members, one of whom must be a Judicial Member. This will ensure that questions involving the vires of a statutory provision or rule will never arise for adjudication before a Single Member Bench or a Bench which does not consist of a Judicial Member. So construed, Section 5(6) will no longer be susceptible to charges of unconstitutionality.

99. In view of the reasoning adopted by us, we hold that clause 2(d) of Article 323-A and clause 3(d) of Article 323-B, to the extent they exclude the jurisdiction of the High Courts and the Supreme Court under Articles 226/227 and 32 of the Constitution, are unconstitutional. Section 28 of the Act and the "exclusion of jurisdiction" clauses in all other legislations enacted under the aegis of Articles 323-A and 323-B would, to the same extent, be unconstitutional. The jurisdiction conferred upon the High Courts under Articles 226/227 and upon the Supreme Court under Article 32 of the Constitution is a part of the inviolable basic structure of our Constitution. While this jurisdiction cannot be ousted, other courts and Tribunals may perform a supplemental role in discharging the powers conferred by Articles 226/227 and 32 of the Constitution. The Tribunals created under Article 323-A and Article 323-B of the Constitution are possessed of the competence to test the constitutional validity of statutory

provisions and rules. All decisions of these Tribunals will, however, be subject to scrutiny before a Division Bench of the High Court within whose jurisdiction the Tribunal concerned falls. The Tribunals will, nevertheless, continue to act like courts of first instance in respect of the areas of law for which they have been constituted. It will not, therefore, be open for litigants to directly approach the High Courts even in cases where they question the vires of statutory legislations (except where the legislation which creates the particular Tribunal is challenged) by overlooking the jurisdiction of the Tribunal concerned. Section 5(6) of the Act is valid and constitutional and is to be interpreted in the manner we have indicated."

61. Reference was then made to *Union of India v. Madras Bar Association*, (2010) 11 SCC 1. The instant decision was rendered by a constitution bench of 5 Judges. The controversy adjudicated upon in this case related to a challenge to the constitutional validity of Parts 1B and 1C of the Companies Act, 1956. These parts were inserted into the Companies Act, by the Companies (Second Amendment) Act, 2002. Thereby, provision was made for the constitution of the National Company Law Tribunal and the National Company Law Appellate Tribunal. The relevant questions raised in the present controversy, are being noticed. Firstly, whether Parliament does not have the jurisdiction/legislative competence, to vest intrinsic judicial functions, that have been traditionally performed by High Courts, in any tribunal outside the judiciary? Secondly, whether transferring of the entire company law jurisdiction, hitherto before vested in High Courts, to the National Company Law Tribunal, which was not under the control of the judiciary, was violative of the principles of "separation of powers" and "independence of judiciary"? Thirdly, whether Sections 10-FB, 10-FD, 10-FE, 10-FF, 10-FL(2), 10-FO, 10-FR(3), 10-FT, 10-FX contained in Parts I-B and I-C of the Companies Act, by virtue of the above amendment, were unconstitutional being in breach of the principles of the "rule of law", "separation

of powers" and "independence of judiciary"? The relevant narration and conclusions recorded by this Court are being reproduced hereunder:-

"Section 10-FD(3)(f): Appointment of Technical Member to NCLT

16. The High Court has held that appointment of a member under the category specified in Section 10-FD(3)(f), can have a role only in matters concerning revival and rehabilitation of sick industrial companies and not in relation to other matters. The High Court has therefore virtually indicated that NCLT should have two divisions, that is an Adjudication Division and a Rehabilitation Division and persons selected under the category specified in clause (f) should only be appointed as Members of the Rehabilitation Division.

17. The Union Government contends that similar provision exists in Section 4(3) of the Sick Industrial Companies (Special Provisions) Act, 1985; that the provision is only an enabling one so that the best talent can be selected by the Selection Committee headed by the Chief Justice of India or his nominee; and that it may not be advisable to have division or limit or place restrictions on the power of the President of the Tribunal to constitute appropriate benches. It is also pointed out that a technical member would always sit in a Bench with a judicial member.

Section 10-FD(3)(g): Qualification for appointment of Technical Member

18. The High Court has observed that in regard to the Presiding Officers of the Labour Courts and the Industrial Tribunals or the National Industrial Tribunal, a minimum period of three to five years' experience should be prescribed, as what is sought to be utilised is their expert knowledge in labour laws.

19. The Union Government submits that it may be advisable to leave the choice of selection of the most appropriate candidate to the Committee headed by the Chief Justice of India or his nominee.

20. The High Court has also observed that as persons who satisfy the qualifications prescribed in Section 10-FD(3)(g) would be persons who fall under Section 10-FD(2)(a), it would be more appropriate to include this qualification in Section 10-FD(2)(a). It has also observed in Section 10-FL dealing with "Benches of the Tribunal", a provision should be made that a "judicial member" with this qualification shall be a member of the Special Bench referred to in Section 10-FL(2) for cases relating to rehabilitation, restructuring or winding up of companies.

21. The Union Government has not accepted these findings and contends that the observations of the High Court would amount to judicial legislation.

Section 10-FD(3)(h): Qualification of Technical Member of NCLT

22. The High Court has observed that clause (h) referring to the category of persons having special knowledge of and experience in matters relating to labour, for not less than 15 years is vague and should

be suitably amended so as to spell out with certainty the qualification which a person to be appointed under clause (h) should possess.

23. The Union Government contends that in view of the wide and varied experience possible in labour matters, it may not be advisable to set out the nature of experience or impose any restrictions in regard to the nature of experience. It is submitted that the Selection Committee headed by the Chief Justice of India or his nominee would consider each application on its own merits.

24. The second observation of the High Court is that the member selected under the category mentioned in clause (h) must confine his participation only to the Benches dealing with revival and rehabilitation of sick companies and should also be excluded from functioning as a single-Member Bench for any matter.

25. The Union Government contends that it may not be advisable to fetter the prerogative of the President of the Tribunal to constitute benches by making use of available members. It is also pointed out that it may not be proper to presume that a person well versed in labour matters will be unsuitable to be associated with a judicial member in regard to adjudication of winding-up matters.

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Section 10-FX: Selection process for President/Chairperson

31. The High Court has expressed the view that the selection of the President/Chairperson should be by a Committee headed by the Chief Justice of India in consultation with two senior Judges of the Supreme Court.

32. The Union Government has submitted that it would not be advisable to make such a provision in regard to appointment of the President/Chairperson of statutory tribunals. It is pointed out that no other legislation constituting tribunals has such a provision."

In order to assail the challenge to the provisions extracted hereinabove, the Union of India asserted, that the Madras High Court (the judgment whereof was, also under challenge) having held that the Parliament had the competence and the power to establish the National Company Law Tribunal and the National Company Law Appellate Tribunal, ought to have dismissed the writ petition. The assertion at the hands of the Union of India was, that some of the directions contained in the judgment rendered by the Madras High Court, reframed and recast Parts 1B and 1C introduced by the Amendment Act and amounted to

converting "judicial review" into judicial legislation. It was, however noticed, that the Union of India having agreed to rectify several of the defects pointed out by the High Court, the appeal of the Union of India was restricted to the findings of the High Court relating to Sections 10-FD(3)(f), (g), (h) and 10-FX. To understand the tenor of the issue which was the subject matter before this Court, it is relevant to extract some of the provisions of the Companies Act, 1956 as amended by the Companies (Second Amendment) Act, 2002, relating to the constitution of the National Company Law Tribunal and the National Company Law Appellate Tribunal). The same are reproduced hereunder:-

"PART I-B

NATIONAL COMPANY LAW TRIBUNAL

10-FB. *Constitution of National Company Law Tribunal.*—The Central Government shall, by notification in the Official Gazette, constitute a Tribunal to be known as the National Company Law Tribunal to exercise and discharge such powers and functions as are, or may be, conferred on it by or under this Act or any other law for the time being in force.

10-FC. *Composition of Tribunal.*—The Tribunal shall consist of a President and such number of judicial and technical members not exceeding sixty-two, as the Central Government deems fit, to be appointed by that Government, by notification in the Official Gazette.

10-FD. *Qualifications for appointment of President and Members.*—

(1) The Central Government shall appoint a person who has been, or is qualified to be, a Judge of a High Court as the President of the Tribunal.

(2) A person shall not be qualified for appointment as judicial member unless he—

(a) has, for at least fifteen years, held a judicial office in the territory of India; or

(b) has, for at least ten years been an advocate of a High Court, or has partly held judicial office and has been partly in practice as an advocate for a total period of fifteen years; or

(c) has held for at least fifteen years a Group A post or an equivalent post under the Central Government or a State Government including at least three years of service as a Member of the Indian Company Law Service (Legal Branch) in Senior Administrative Grade in that service;

or

(d) has held for at least fifteen years a Group A post or an equivalent post under the Central Government (including at least three years of service as a Member of the Indian Legal Service in Grade I of that service).

(3) A person shall not be qualified for appointment as technical member unless he—

(a) has held for at least fifteen years a Group A post or an equivalent post under the Central Government or a State Government [including at least three years of service as a Member of the Indian Company Law Service (Accounts Branch) in Senior Administrative Grade in that service]; or

(b) is, or has been, a Joint Secretary to the Government of India under the Central Staffing Scheme, or held any other post under the Central Government or a State Government carrying a scale of pay which is not less than that of a Joint Secretary to the Government of India, for at least five years and has adequate knowledge of, and experience in, dealing with problems relating to company law; or

(c) is, or has been, for at least fifteen years in practice as a chartered accountant under the Chartered Accountants Act, 1949 (38 of 1949); or

(d) is, or has been, for at least fifteen years in practice as a cost accountant under the Cost and Works Accountants Act, 1959 (23 of 1959); or

(e) is, or has been, for at least fifteen years working experience as a Secretary in wholtime practice as defined in clause (45-A) of Section 2 of this Act and is a member of the Institute of the Company Secretaries of India constituted under the Company Secretaries Act, 1980 (56 of 1980); or

(f) is a person of ability, integrity and standing having special knowledge of, and professional experience of not less than twenty years in science, technology, economics, banking, industry, law, matters relating to industrial finance, industrial management, industrial reconstruction, administration, investment, accountancy, marketing or any other matter, the special knowledge of, or professional experience in, which would be in the opinion of the Central Government useful to the Tribunal; or

(g) is, or has been, a Presiding Officer of a Labour Court, Tribunal or National Tribunal constituted under the Industrial Disputes Act, 1947 (14 of 1947); or

(h) is a person having special knowledge of, and experience of not less than fifteen years in, the matters relating to labour.

Explanation.—For the purposes of this Part,—

(i) 'judicial member' means a Member of the Tribunal appointed as such under sub-section (2) of Section 10-FD and includes the President of the Tribunal;

(ii) 'technical member' means a Member of the Tribunal appointed as such under sub-section (3) of Section 10-FD.

10-FE. *Term of office of President and Members.*—The President and every other Member of the Tribunal shall hold office as such for a term of three years from the date on which he enters upon his office, but shall be eligible for reappointment:

Provided that no President or other Member shall hold office as such after he has attained,—

(a) in the case of the President, the age of sixty-seven years;

(b) in the case of any other Member, the age of sixty-five years:

Provided further that the President or other Member may retain his lien with his parent cadre or Ministry or Department, as the case may be, while holding office as such.

10-FF. *Financial and administrative powers of Member Administration.*—The Central Government shall designate any judicial member or technical member as Member (Administration) who shall exercise such financial and administrative powers as may be vested in him under the rules which may be made by the Central Government:

Provided that the Member (Administration) shall have authority to delegate such of his financial and administrative powers as he may think fit to any other officer of the Tribunal subject to the condition that such officer shall, while exercising such delegated powers continue to act under the direction, superintendence and control of the Member (Administration).

* * *

10-FK. *Officers and employees of Tribunal.*—(1) The Central Government shall provide the Tribunal with such officers and other employees as it may deem fit.

(2) The officers and other employees of the Tribunal shall discharge their functions under the general superintendence of the Member Administration.

(3) The salaries and allowances and other terms and conditions of service of the officers and other employees of the Tribunal shall be such as may be prescribed.

10-FL. *Benches of Tribunal.*—(1) Subject to the provisions of this section, the powers of the Tribunal may be exercised by Benches, constituted by the President of the Tribunal, out of which one shall be a judicial member and another shall be a technical member referred to in clauses (a) to (f) of sub-section (3) of Section 10-FD:

Provided that it shall be competent for the Members authorised in this behalf to function as a Bench consisting of a single Member and exercise the jurisdiction, powers and authority of the Tribunal in respect of such class of cases or such matters pertaining to such class of cases, as the President of the Tribunal may, by general or special order, specify:

Provided further that if at any stage of the hearing of any such case or matter, it appears to the Member of the Tribunal that the case or matter is of such a nature that it ought to be heard by a Bench consisting of two Members, the case or matter may be transferred by the President of the

Tribunal or, as the case may be, referred to him for transfer to such Bench as the President may deem fit.

(2) The President of the Tribunal shall, for the disposal of any case relating to rehabilitation, restructuring or winding up of the companies, constitute one or more special Benches consisting of three or more Members, each of whom shall necessarily be a judicial member, a technical member appointed under any of the clauses (a) to (f) of sub-section (3) of Section 10-FD, and a Member appointed under clause (g) or clause (h) of sub-section (3) of Section 10-FD:

Provided that in case a Special Bench passes an order in respect of a company to be wound up, the winding-up proceedings of such company may be conducted by a Bench consisting of a single Member.

(3) If the Members of a Bench differ in opinion on any point or points, it shall be decided according to the majority, if there is a majority, but if the Members are equally divided, they shall state the point or points on which they differ, and the case shall be referred by the President of the Tribunal for hearing on such point or points by one or more of the other Members of the Tribunal and such point or points shall be decided according to the opinion of the majority of Members of the Tribunal who have heard the case, including those who first heard it.

(4) There shall be constituted such number of Benches as may be notified by the Central Government.

(5) In addition to the other Benches, there shall be a Principal Bench at New Delhi presided over by the President of the Tribunal.

(6) The Principal Bench of the Tribunal shall have powers of transfer of proceedings from any Bench to another Bench of the Tribunal in the event of inability of any Bench from hearing any such proceedings for any reason:

Provided that no transfer of any proceedings shall be made under this sub-section except after recording the reasons for so doing in writing.

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10-FO. *Delegation of powers.*—The Tribunal may, by general or special order, delegate, subject to such conditions and limitations, if any, as may be specified in the order, to any Member or officer or other employee of the Tribunal or other person authorized by the Tribunal to manage any industrial company or industrial undertaking or any operating agency, such powers and duties under this Act as it may deem necessary.

PART I-C
APPELLATE TRIBUNAL

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10-FR. *Constitution of Appellate Tribunal.*—(1) The Central Government shall, by notification in the Official Gazette, constitute with effect from such date as may be specified therein, an Appellate Tribunal to be called the 'National Company Law Appellate Tribunal' consisting of a

Chairperson and not more than two Members, to be appointed by that Government, for hearing appeals against the orders of the Tribunal under this Act.

(2) The Chairperson of the Appellate Tribunal shall be a person who has been a Judge of the Supreme Court or the Chief Justice of a High Court.

(3) A Member of the Appellate Tribunal shall be a person of ability, integrity and standing having special knowledge of, and professional experience of not less than twenty-five years in, science, technology, economics, banking, industry, law, matters relating to labour, industrial finance, industrial management, industrial reconstruction, administration, investment, accountancy, marketing or any other matter, the special knowledge of, or professional experience in which, would be in the opinion of the Central Government useful to the Appellate Tribunal.

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10-FT. *Term of office of Chairperson and Members.*—The Chairperson or a Member of the Appellate Tribunal shall hold office as such for a term of three years from the date on which he enters upon his office, but shall be eligible for reappointment for another term of three years:

Provided that no Chairperson or other Member shall hold office as such after he has attained,—

(a) in the case of the Chairperson, the age of seventy years;

(b) in the case of any other Member, the age of sixty-seven years.

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10-FX. *Selection Committee.*—(1) The Chairperson and Members of the Appellate Tribunal and President and Members of the Tribunal shall be appointed by the Central Government on the recommendations of a Selection Committee consisting of—

(a) Chief Justice of India or his nominee Chairperson;

(b) Secretary in the Ministry of Finance and Company Affairs

Member;

(c) Secretary in the Ministry of Labour Member;

(d) Secretary in the Ministry of Law and Justice (Department of Legal Affairs or Legislative Department) Member;

(e) Secretary in the Ministry of Finance and Company Affairs (Department of Company Affairs) Member.

(2) The Joint Secretary in the Ministry or Department of the Central Government dealing with this Act shall be the Convenor of the Selection Committee.

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(5) Before recommending any person for appointment as the Chairperson and Members of the Appellate Tribunal and President and Members of the Tribunal, the Selection Committee shall satisfy itself that such person does not have financial or other interest which is likely to affect prejudicially his

functions as such Chairperson or Member of the Appellate Tribunal or President or Member of the Tribunal, as the case may be.

(6) No appointment of the Chairperson and Members of the Appellate Tribunal and President and Members of the Tribunal shall be invalidated merely by reason of any vacancy or any defect in the constitution of the Selection Committee.

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10-G. *Power to punish for contempt.*—The Appellate Tribunal shall have the same jurisdiction, powers and authority in respect of contempt of itself as the High Court has and may exercise, for this purpose under the provisions of the Contempt of Courts Act, 1971 (70 of 1971), which shall have the effect subject to modifications that—

(a) the reference therein to a High Court shall be construed as including a reference to the Appellate Tribunal;

(b) the reference to Advocate General in Section 15 of the said Act shall be construed as a reference to such law officers as the Central Government may specify in this behalf.

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10-GB. *Civil court not to have jurisdiction.*—(1) No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Tribunal or the Appellate Tribunal is empowered to determine by or under this Act or any other law for the time being in force and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or any other law for the time being in force.

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10-GF. *Appeal to Supreme Court.*—Any person aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him on any question of law arising out of such decision or order:

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days."

Having noticed the relevant statutory provisions, this Court made detailed observations relating to "difference between Courts and Tribunals", "Re: independence of judiciary", "separation of powers", and "whether the Government can transfer judicial functions traditionally performed by Courts, to Tribunals", as under:-

"70. But in India, unfortunately tribunals have not achieved full independence. The Secretary of the "sponsoring department" concerned sits in the Selection Committee for appointment. When the tribunals are formed, they are mostly dependent on their sponsoring department for funding, infrastructure and even space for functioning. The statutes constituting tribunals routinely provide for members of civil services from the sponsoring departments becoming members of the tribunal and continuing their lien with their parent cadre. Unless wide ranging reforms as were implemented in United Kingdom and as were suggested by L. Chandra Kumar vs. Union of India, (1997) 3 SCC 261. are brought about, tribunals in India will not be considered as independent.

Whether the Government can transfer the judicial functions traditionally performed by courts to tribunals?

71. It is well settled that courts perform all judicial functions of the State except those that are excluded by law from their jurisdiction. Section 9 of the Code of Civil Procedure, for example, provides that the courts shall have jurisdiction to try all suits of a civil nature excepting suits of which their cognizance is either expressly or impliedly barred.

72. Article 32 provides that without prejudice to the powers conferred on the Supreme Court by clauses (1) and (2) of the said Article, Parliament may by law, empower any other court to exercise within the local limits of its jurisdiction all or any of the powers exercisable by the Supreme Court under clause (2) of Article 32.

73. Article 247 provides that notwithstanding anything contained in Chapter I of Part XI of the Constitution, Parliament may by law provide for the establishment of any additional courts for the better administration of laws made by Parliament or of any existing laws with respect to a matter enumerated in the Union List. Article 245 provides that subject to the provisions of the Constitution, Parliament may make laws for the whole or any part of the territory of India, and the legislature of a State may make laws for the whole or any part of the State.

74. Article 246 deals with the subject-matter of laws made by Parliament and by the legislatures of States. The Union List (List I of the Seventh Schedule) enumerates the matters with respect to which Parliament has exclusive powers to make laws. Entry 77 of List I refers to constitution, organisation, jurisdiction and powers of the Supreme Court. Entry 78 of List I refers to constitution and organisation of the High Courts. Entry 79 of List I refers to extension or exclusion of the jurisdiction of a High Court, to or from any Union Territory. Entry 43 of List I refers to incorporation, regulation and winding up of trading corporations and Entry 44 of List I refers to incorporation, regulation and winding up of corporations. Entry 95 of List I refers to jurisdiction and powers of all courts except the Supreme Court, with respect to any of the matters in the Union List.

75. The Concurrent List (List III of the Seventh Schedule) enumerates the matters with respect to which Parliament and the Legislature of a State

will have concurrent power to make laws. Entry 11-A of List III refers to administration of justice, constitution and organization of all courts except the Supreme Court and the High Courts. Entry 46 of List III refers to jurisdiction and powers of all courts, except the Supreme Court, with respect to any of the matters in List III.

76. Part XIV-A was inserted in the Constitution with effect from 3-1-1977 by the Constitution (Forty-second Amendment) Act, 1976. The said part contains two articles. Article 323-A relates to Administrative Tribunals and empowers Parliament to make a law, providing for the adjudication or trial by Administrative Tribunals of disputes and complaints with respect to recruitment and conditions of service of persons appointed to public services and posts in connection with the affairs of the Government or of any State or of any local or other authority within the territory of India or under the control of the Government of India or of any corporation owned or controlled by the Government.

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80. The legislative competence of Parliament to provide for creation of courts and tribunals can be traced to Entries 77, 78, 79 and Entries 43, 44 read with Entry 95 of List I, Entry 11-A read with Entry 46 of List III of the Seventh Schedule. Referring to these articles, this Court in two cases, namely, *Union of India v. Delhi High Court Bar Assn.*, (2002) 4 SCC 75, and *State of Karnataka v. Vishwabharathi House Building Coop. Society*, (2003) 2 SCC 412, held that Articles 323-A and 323-B are enabling provisions which enable the setting up of tribunals contemplated therein; and that the said articles, however, cannot be interpreted to mean that they prohibited the legislature from establishing tribunals not covered by those articles, as long as there is legislative competence under the appropriate entry in the Seventh Schedule.

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90. But when we say that the legislature has the competence to make laws, providing which disputes will be decided by courts, and which disputes will be decided by tribunals, it is subject to constitutional limitations, without encroaching upon the independence of the judiciary and keeping in view the principles of the rule of law and separation of powers. If tribunals are to be vested with judicial power hitherto vested in or exercised by courts, such tribunals should possess the independence, security and capacity associated with courts. If the tribunals are intended to serve an area which requires specialised knowledge or expertise, no doubt there can be technical members in addition to judicial members. Where however jurisdiction to try certain category of cases are transferred from courts to tribunals only to expedite the hearing and disposal or relieve from the rigours of the Evidence Act and procedural laws, there is obviously no need to have any non-judicial technical member. In respect of such tribunals, only members of the judiciary should be the Presiding Officers/Members. Typical examples of such special tribunals are Rent

Tribunals, Motor Accidents Claims Tribunals and Special Courts under several enactments. Therefore, when transferring the jurisdiction exercised by courts to tribunals, which does not involve any specialised knowledge or expertise in any field and expediting the disposal and relaxing the procedure is the only object, a provision for technical members in addition to or in substitution of judicial members would clearly be a case of dilution of and encroachment upon the independence of the judiciary and the rule of law and would be unconstitutional.

91 In *R.K. Jain v. Union of India*, (1993) 4 SCC 119, this Court observed: (SCC pp. 169-70, para 67)

"67. The tribunals set up under Articles 323-A and 323-B of the Constitution or under an Act of legislature are creatures of the statute and in no case claim the status as Judges of the High Court or parity or as substitutes. However, the personnel appointed to hold those offices under the State are called upon to discharge judicial or quasi-judicial powers. So they must have judicial approach and also knowledge and expertise in that particular branch of constitutional, administrative and tax laws. The legal input would undeniably be more important and sacrificing the legal input and not giving it sufficient weightage and teeth would definitely impair the efficacy and effectiveness of the judicial adjudication. It is, therefore, necessary that those who adjudicate upon these matters should have legal expertise, judicial experience and modicum of legal training as on many an occasion different and complex questions of law which baffle the minds of even trained Judges in the High Court and Supreme Court would arise for discussion and decision."

92. Having held that legislation can transfer certain areas of litigation from courts to tribunals and recognising that the legislature can provide for technical members in addition to judicial members in such tribunals, let us turn our attention to the question as to who can be the members.

93. If the Act provides for a tribunal with a judicial member and a technical member, does it mean that there are no limitations upon the power of the legislature to prescribe the qualifications for such technical member? The question will also be whether any limitations can be read into the competence of the legislature to prescribe the qualification for the judicial member? The answer, of course, depends upon the nature of jurisdiction that is being transferred from the courts to tribunals. Logically and necessarily, depending upon whether the jurisdiction is being shifted from a High Court, or a District Court or a Civil Judge, the yardstick will differ. It is for the court which considers the challenge to the qualification, to determine whether the legislative power has been exercised in a manner in consonance with the constitutional principles and constitutional guarantees.

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101. Independent judicial tribunals for determination of the rights of citizens, and for adjudication of the disputes and complaints of the citizens, is a necessary concomitant of the rule of law. The rule of law has several facets, one of which is that disputes of citizens will be decided by Judges who are independent and impartial; and that disputes as to legality of acts of the Government will be decided by Judges who are independent of the executive. Another facet of the rule of law is equality before law. The essence of the equality is that it must be capable of being enforced and adjudicated by an independent judicial forum. Judicial independence and separation of judicial power from the executive are part of the common law traditions implicit in a Constitution like ours which is based on the Westminster model.

102. The fundamental right to equality before law and equal protection of laws guaranteed by Article 14 of the Constitution, clearly includes a right to have the person's rights, adjudicated by a forum which exercises judicial power in an impartial and independent manner, consistent with the recognised principles of adjudication. Therefore wherever access to courts to enforce such rights is sought to be abridged, altered, modified or substituted by directing him to approach an alternative forum, such legislative Act is open to challenge if it violates the right to adjudication by an independent forum. Therefore, though the challenge by MBA is on the ground of violation of principles forming part of the basic structure, they are relatable to one or more of the express provisions of the Constitution which gave rise to such principles. Though the validity of the provisions of a legislative Act cannot be challenged on the ground it violates the basic structure of the Constitution, it can be challenged as violative of constitutional provisions which enshrine the principles of the rule of law, separation of powers and independence of the judiciary.

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106. We may summarise the position as follows:

(a) A legislature can enact a law transferring the jurisdiction exercised by courts in regard to any specified subject (other than those which are vested in courts by express provisions of the Constitution) to any tribunal.

(b) All courts are tribunals. Any tribunal to which any existing jurisdiction of courts is transferred should also be a judicial tribunal. This means that such tribunal should have as members, persons of a rank, capacity and status as nearly as possible equal to the rank, status and capacity of the court which was till then dealing with such matters and the members of the tribunal should have the independence and security of tenure associated with judicial tribunals.

(c) Whenever there is need for "tribunals", there is no presumption that there should be technical members in the tribunals. When any jurisdiction is shifted from courts to tribunals, on the ground of pendency and delay in courts, and the jurisdiction so transferred does

not involve any technical aspects requiring the assistance of experts, the tribunals should normally have only judicial members. Only where the exercise of jurisdiction involves inquiry and decisions into technical or special aspects, where presence of technical members will be useful and necessary, tribunals should have technical members. Indiscriminate appointment of technical members in all tribunals will dilute and adversely affect the independence of the judiciary.

(d) The legislature can reorganise the jurisdictions of judicial tribunals. For example, it can provide that a specified category of cases tried by a higher court can be tried by a lower court or vice versa (a standard example is the variation of pecuniary limits of the courts). Similarly while constituting tribunals, the legislature can prescribe the qualifications/eligibility criteria. The same is however subject to judicial review. If the court in exercise of judicial review is of the view that such tribunalisation would adversely affect the independence of the judiciary or the standards of the judiciary, the court may interfere to preserve the independence and standards of the judiciary. Such an exercise will be part of the checks and balances measures to maintain the separation of powers and to prevent any encroachment, intentional or unintentional, by either the legislature or by the executive.

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113. When the Administrative Tribunals were constituted, the presence of members of civil services as Technical (Administrative) Members was considered necessary, as they were well versed in the functioning of government departments and the rules and procedures applicable to government servants. But the fact that senior officers of civil services could function as Administrative Members of the Administrative Tribunals, does not necessarily make them suitable to function as technical members in the Company Law Tribunals or other tribunals requiring technical expertise. The tribunals cannot become providers of sinecure to members of civil services, by appointing them as technical members, though they may not have technical expertise in the field to which the tribunals relate, or worse, where purely judicial functions are involved. While one can understand the presence of the members of the civil services being technical members in Administrative Tribunals, or Military Officers being members of the Armed Forces Tribunals, or electrical engineers being members of the Electricity Appellate Tribunal, or telecom engineers being members of TDSAT, we find no logic in members of the general civil services being members of the Company Law Tribunals.

114. Let us now refer to the dilution of independence. If any member of the tribunal is permitted to retain his lien over his post with the parent cadre or ministry or department in the civil service for his entire period of service as member of the tribunal, he would continue to think, act and function as a member of the civil services. A litigant may legitimately think that such a member will not be independent and impartial. We reiterate

that our observations are not intended to cast any doubt about the honesty and integrity or capacity and capability of the officers of civil services in particular those who are of the rank of Joint Secretary or for that matter even junior officers. What we are referring to is the perception of the litigants and the public about the independence or conduct of the members of the tribunal. Independence, impartiality and fairness are qualities which have to be nurtured and developed and cannot be acquired overnight. The independence of members discharging judicial functions in a tribunal cannot be diluted.

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120. We may tabulate the corrections required to set right the defects in Parts I-B and I-C of the Act:

(i) Only Judges and advocates can be considered for appointment as judicial members of the Tribunal. Only High Court Judges, or Judges who have served in the rank of a District Judge for at least five years or a person who has practised as a lawyer for ten years can be considered for appointment as a judicial member. Persons who have held a Group A or equivalent post under the Central or State Government with experience in the Indian Company Law Service (Legal Branch) and the Indian Legal Service (Grade I) cannot be considered for appointment as judicial members as provided in sub-sections (2)(c) and (d) of Section 10-FD. The expertise in Company Law Service or the Indian Legal Service will at best enable them to be considered for appointment as technical members.

(ii) As NCLT takes over the functions of the High Court, the members should as nearly as possible have the same position and status as High Court Judges. This can be achieved, not by giving the salary and perks of a High Court Judge to the members, but by ensuring that persons who are as nearly equal in rank, experience or competence to High Court Judges are appointed as members. Therefore, only officers who are holding the ranks of Secretaries or Additional Secretaries alone can be considered for appointment as technical members of the National Company Law Tribunal. Clauses (c) and (d) of sub-section (2) and clauses (a) and (b) of sub-section (3) of Section 10-FD which provide for persons with 15 years experience in Group A post or persons holding the post of Joint Secretary or equivalent post in the Central or the State Government, being qualified for appointment as Members of Tribunal, are invalid.

(iii) A "technical member" presupposes an experience in the field to which the Tribunal relates. A member of the Indian Company Law Service who has worked with Accounts Branch or officers in other departments who might have incidentally dealt with some aspect of company law cannot be considered as "experts" qualified to be appointed as technical members. Therefore clauses (a) and (b) of sub-section (3) are not valid.

(iv) The first part of clause (f) of sub-section (3) providing that any person having special knowledge or professional experience of 20 years in science, technology, economics, banking, industry could be considered to be persons with expertise in company law, for being appointed as technical members in the Company Law Tribunal, is invalid.

(v) Persons having ability, integrity, standing and special knowledge and professional experience of not less than fifteen years in industrial finance, industrial management, industrial reconstruction, investment and accountancy, may however be considered as persons having expertise in rehabilitation/revival of companies and therefore, eligible for being considered for appointment as technical members.

(vi) In regard to category of persons referred in clause (g) of sub-section (3) at least five years' experience should be specified.

(vii) Only clauses (c), (d), (e), (g), (h), and the latter part of clause (f) in sub-section (3) of Section 10-FD and officers of civil services of the rank of the Secretary or Additional Secretary in the Indian Company Law Service and the Indian Legal Service can be considered for purposes of appointment as technical members of the Tribunal.

(viii) Instead of a five-member Selection Committee with the Chief Justice of India (or his nominee) as Chairperson and two Secretaries from the Ministry of Finance and Company Affairs and the Secretary in the Ministry of Labour and the Secretary in the Ministry of Law and Justice as members mentioned in Section 10-FX, the Selection Committee should broadly be on the following lines:

(a) Chief Justice of India or his nominee—Chairperson (with a casting vote);

(b) A Senior Judge of the Supreme Court or Chief Justice of High Court—Member;

(c) Secretary in the Ministry of Finance and Company Affairs—Member; and

(d) Secretary in the Ministry of Law and Justice—Member.

(ix) The term of office of three years shall be changed to a term of seven or five years subject to eligibility for appointment for one more term. This is because considerable time is required to achieve expertise in the field concerned. A term of three years is very short and by the time the members achieve the required knowledge, expertise and efficiency, one term will be over. Further the said term of three years with the retirement age of 65 years is perceived as having been tailor-made for persons who have retired or shortly to retire and encourages these Tribunals to be treated as post-retirement havens. If these Tribunals are to function effectively and efficiently they should be able to attract younger members who will have a reasonable period of service.

(x) The second proviso to Section 10-FE enabling the President and members to retain lien with their parent cadre/ministry/department while holding office as President or Members will not be conducive for the independence of members. Any person appointed as member should be prepared to totally disassociate himself from the executive. The lien cannot therefore exceed a period of one year.

(xi) To maintain independence and security in service, sub-section (3) of Section 10-FJ and Section 10-FV should provide that suspension of the President/Chairman or member of a Tribunal can be only with the concurrence of the Chief Justice of India.

(xii) The administrative support for all Tribunals should be from the Ministry of Law and Justice. Neither the Tribunals nor their members shall seek or be provided with facilities from the respective sponsoring or parent Ministries or Department concerned.

(xiii) Two-member Benches of the Tribunal should always have a judicial member. Whenever any larger or special Benches are constituted, the number of technical members shall not exceed the judicial members."

62. Before venturing to examine the controversy in hand it needs to be noticed, that some of the assertions raised at the hands of the petitioners in the present controversy have since been resolved. These have been noticed in an order passed by this Court in *Madras Bar Association v. Union of India*, (2010) 11 SCC 67, which is being extracted hereunder:-

"1. In all these petitions, the constitutional validity of the National Tax Tribunal Act, 2005 ("the Act", for short) is challenged. In TC No. 150 of 2006, additionally there is a challenge to Section 46 of the Constitution (Forty-second Amendment) Act, 1976 and Article 323-B of the Constitution of India. It is contended that Section 46 of the Constitution (Forty-second Amendment) Act, is ultra vires the basic structure of the Constitution as it enables proliferation of the tribunal system and makes serious inroads into the independence of the judiciary by providing a parallel system of administration of justice, in which the executive has retained extensive control over matters such as appointment, jurisdiction, procedure, etc. It is contended that Article 323-B violates the basic structure of the Constitution as it completely takes away the jurisdiction of the High Courts and vests them in the National Tax Tribunal, including trial of offences and adjudication of pure questions of law, which have always been in the exclusive domain of the judiciary.

2. When these matters came up on 9-1-2007 before a three-Judge Bench, the challenge to various sections of the Act was noticed.
3. The first challenge was to Section 13 which permitted "any person" duly authorised to appear before the National Tax Tribunal. The Union of India submitted that the appropriate amendment will be made in the Act to ensure that only lawyers, chartered accountants and parties in person will be permitted to appear before the National Tax Tribunal.
4. The second challenge was to Section 5(5) of the Act which provided that:
 - "5. (5) The Central Government may in consultation with the Chairperson transfer a member from headquarters of one Bench in one State to the headquarters of another Bench in another State or to the headquarters of any other Bench within a State:"
5. The Union of India submitted that having regard to the nature of the functions to be performed by the Tribunal and the constitutional scheme of separation of powers and independence of judiciary, the expression "consultation with the Chairperson" occurring in Section 5(5) of the Act should be read and construed as "concurrence of the Chairperson".
6. The third challenge was to Section 7 which provided for a Selection Committee comprising of (a) the Chief Justice of India or a Judge of the Supreme Court nominated by him, (b) Secretary in the Ministry of Law and Justice, and (c) Secretary in the Ministry of Finance. It was contended by the petitioners that two of the members who are Secretaries to the Government forming the majority may override the opinion of the Chief Justice or his nominee which was improper. It was stated on behalf of the Union of India that there was no question of two Secretaries overriding the opinion of the Chief Justice of India or his nominee since primacy of the Chairperson was inbuilt in the system and this aspect will be duly clarified.
7. In regard to certain other defects in the Act, pointed out by the petitioners, it was submitted that the Union Government will examine them and wherever necessary suitable amendments will be made.
8. In view of these submissions, on 9-1-2007, this Court made an order reserving liberty to the Union Government to mention the matter for listing after the appropriate amendments were made in the Act.
9. On 21-1-2009, when arguments in CA No. 3067 of 2004 and CA No. 3717 of 2005, which related to the challenge to Parts I-B and I-C of the Companies Act, 1956 were in progress before the Constitution Bench, it was submitted that these matters involved a similar issue and they could be tagged and disposed of in terms of the decision in those appeals. Therefore the Constitution Bench directed these cases to be listed with those appeals, even though there is no order of reference in these matters. CA No. 3067 of 2004 and CA No. 3717 of 2005 were subsequently heard at length and were reserved for judgment. These matters which were tagged were also reserved for judgment.

10. We have disposed of CA No. 3067 of 2004 and CA No. 3717 of 2005 today (Union of India vs. Madras Bar Association, (2010) 11 SCC 1), by a separate order. Insofar as these cases are concerned, we find that TC (Civil) No. 150 of 2006 involves the challenge to Article 323-B of the Constitution. The said article enables appropriate legislatures to provide by law, for adjudication or trial by tribunals or any disputes, complaints, or offences with respect to all or any of the matters specified in clause (2) thereof. Sub-clause (i) of clause (2) of Article 323-B enables such tribunals to try offences against laws with respect to any of the matters specified in sub-clauses (a) to (h) of clause (2) of the said article.

11. One of the contentions urged in support of the challenge to Article 323-B relate to the fact that tribunals do not follow the normal rules of evidence contained in the Evidence Act, 1872. In criminal trials, an accused is presumed to be innocent till proved guilty beyond reasonable doubt, and the Evidence Act plays an important role, as appreciation of evidence and consequential findings of facts are crucial. The trial would require experience and expertise in criminal law, which means that the Judge or the adjudicator to be legally trained. Tribunals which follow their own summary procedure, are not bound by the strict rules of evidence and the members will not be legally trained. Therefore it may lead to convictions of persons on evidence which is not sufficient in probative value or on the basis of inadmissible evidence. It is submitted that it would thus be a retrograde step for separation of executive from the judiciary.

12. Appeals on issues on law are traditionally heard by the courts. Article 323-B enable constitution of tribunals which will be hearing appeals on pure questions of law which is the function of the courts. In L. Chandra Kumar v. Union of India, (1997) 3 SCC 261, this Court considered the validity of only clause (3)(d) of Article 323-B but did not consider the validity of other provisions of Article 323-B.

13. The appeals relating to constitutional validity of the National Company Law Tribunals under the Companies Act, 1956 did not involve the consideration of Article 323-B. The constitutional issues raised in TC (Civil) No. 150 of 2006 were not touched on as the power to establish Company Tribunals was not traceable to Article 323-B but to several entries of Lists I and III of the Seventh Schedule and consequently there was no challenge to this article.

14. The basis of attack in regard to Parts I-B and I-C of the Companies Act and the provisions of the NTT Act are completely different. The challenge to Parts I-B and I-C of the Companies Act, 1956 seeks to derive support from Article 323-B by contending that Article 323-B is a bar for constitution of any tribunal in respect of matters not enumerated therein. On the other hand the challenge to the NTT Act is based on the challenge to Article 323-B itself.

15. We therefore find that these petitions relating to the validity of the NTT Act and the challenge to Article 323-B raise issues which did not arise in

the two civil appeals. Therefore these cases cannot be disposed of in terms of the decision in the civil appeals but require to be heard separately. We accordingly direct that these matters be delinked and listed separately for hearing."

63(i) A perusal of the judgment rendered in Kesavananda Bharati case (supra) reveals, that "separation of powers" creates a system of checks and balances, by reasons of which, powers are so distributed, that none of the three organs transgresses into the domain of the other. The concept ensures the dignity of the individual. The power of "judicial review" ensures, that executive functioning confines itself within the framework of law enacted by the legislature. Accordingly, the demarcation of powers between the legislature, the executive and the judiciary, is regarded as the basic element of the constitutional scheme. When the judicial process is prevented by law, from determining whether the action taken, was or was not, within the framework of the legislation enacted, it would amount to the transgression of the adjudicatory/determinatory process by the legislature. Therefore, the exclusion of the power of "judicial review", would strike at the "basic structure" of the Constitution.

(ii) In Indira Nehru Gandhi case (supra), this Court arrived at the conclusion, that clause (4) of Article 329A of the Constitution, destroyed not only the power of "judicial review", but also the rule of "separation of powers". By the above legislative provision, an election declared void, on the culmination of an adjudicatory process, was treated as valid. Meaning thereby, that the judicial process was substituted by a legislative pronouncement. It was held, that the issue to be focused on was, whether the amendment which was sought to be

assailed, violated a principle which constituted the "basic structure" of the Constitution. The argument raised in opposition was, that a determination which had a bearing on just one (or a few) individual(s) would not raise such an issue. The query was answered by concluding, that it would make no difference whether it related to one case, or a large number of cases. Encroachment on the "basic structure" of the Constitution would be invalid, irrespective of whether, it related to a limited number of individuals or a large number of people. The view expressed was, that if lawmakers were to be assigned the responsibility of administering those laws, and dispensing justice, then those governed by such laws would be left without a remedy in case they were subjected to injustice. For the above reason, clause (4) of Article 329A was declared invalid. This Court by majority held, that clauses (4) and (5) of Article 329A were unconstitutional and void.

(iii) In *Minerva Mills Ltd. case* (supra), first and foremost, this Court confirmed the view expressed in *Kesavananda Bharati case* (supra) and *Indira Nehru Gandhi case* (supra), that the amending power of the Parliament, was not absolute. The Parliament, it was maintained, did not have the power to amend the "basic structure" of the Constitution. A legislative assertion, that the enacted law had been made, for giving effect to a policy to secure the provisions made in Part IV of the Constitution, had the effect of excluding the adjudicatory process. In the case on hand, this Court arrived at the conclusion, that Section 4 of the Constitution (Forty-second Amendment) Act was beyond the amending power of the Parliament, and the same was void, because it had the effect of damaging

the basic and essential features of the Constitution and destroying its "basic structure", by totally excluding any challenge to any law, even on the ground, whether it was inconsistent with or it had abridged, any of the rights conferred by Articles 14 and 19 of the Constitution. Furthermore, Section 55 of the Constitution (Forty-second Amendment), Act was held to be beyond the amending power of the Parliament. It was held to be void, as it had the effect of removing all limitations on the powers of Parliament, to amend the Constitution including, the power to alter its basic and essential features, i.e., its "basic structure". According to this Court, the reason for a broad "separation of powers" under the Constitution was, because concentration of powers in any one of the organs of the Government, would destroy the foundational premise of a democratic Government. The illustrations narrated in the judgment are of some relevance. We shall therefore, narrate them hereunder, in our own words:

(a) Take for example a case where the executive, which is in-charge of administration, acts to the prejudice of a citizen. And a question arises, as to what are the powers of the executive, and whether the executive had acted within the scope of its powers. Such a question obviously, cannot be left to the executive to decide, for two very good reasons. Firstly, because the decision would depend upon the interpretation of the Constitution or the laws, which are, pre-eminently fit to be decided by the judiciary, as it is the judiciary alone which would be possessed of the expertise in decision making. And secondly, because the legal protection afforded to citizens by the Constitution

or the laws would become illusory, if it were left to the executive to determine the legality, of its own actions.

(b) Take for example, a case where the legislature makes a law, which is to the prejudice of a citizen. And a dispute arises, whether in making the law the legislature had acted outside the area of its legislative competence, or whether the law was violative of the fundamental rights of the citizen, or of some other provision(s) of law. Its resolution cannot be left to the legislature to decide, for two very good reasons. Firstly, because the decision would depend upon the interpretation of the Constitution or the laws, which are, pre-eminently fit to be decided by the judiciary, as it is the judiciary alone which would be possessed of the expertise in decision making. And secondly, because the legal protection afforded to citizens, by the Constitution or the laws would become illusory, if it were left to the legislature to determine the legality of its own actions.

On the basis of the examples cited above, this Court concluded, that the creation of an independent machinery, for resolving disputes, was constitutionally vested with the judiciary. The judiciary was vested with the power of "judicial review", to determine the legality of executive action, and the validity of laws enacted by legislature. It was further held, that it was the solemn duty of the judiciary under the Constitution, to keep the different organs of the State, such as the executive and the legislature, within the limits of the powers conferred upon them by the Constitution. It was accordingly also held, that the power of "judicial review" was an integral part of India's constitutional system, and without it, the "rule of law"

would become a teasing illusion, and a promise of unreality. Premised on the aforesaid inferences, this Court finally concluded, that if there was one feature of the Indian Constitution, which more than any others, was its "basic structure" fundamental to the maintenance of democracy and the "rule of law", it was the power of "judicial review". While recording the aforementioned conclusion, this Court also recorded a clarificatory note, namely, that it should not be taken, that an effective alternative institutional mechanism or arrangement for "judicial review" could not be made by Parliament. It was, however, clearly emphasized, that "judicial review" was a vital principle of the Indian Constitution, and it could not be abrogated, without affecting the "basic structure" of the Constitution. It is therefore, that it came to be held, that a constitutional amendment, which had the effect of taking away the power of "judicial review", by providing, that it would not be liable to be questioned, on any ground, was held to be beyond the amending power of the Parliament. For, that would make the Parliament the sole judge, of the constitutional validity, of what it had done, and thereby, allow it to determine the legality of its own actions. In the above judgment, the critical reflection, in our considered view was expressed by the words, "Human ingenuity, limitless though it may be, has yet not devised a system, by which the liberty of the people can be protected, except for the intervention of the courts of law".

(iv) In S.P. Gupta case (supra), the concept of "independence of judiciary" came up for consideration before this Court. This Court having examined the issue, arrived at certain conclusions with reference to High Court and Supreme Court Judges. It was held, that their appointment and removal, as also their

transfer, deserved to be preserved, within the framework of the judicial fraternity. Likewise, the foundation of appointment of outside Chief Justices, was made with a similar objective. Based on the same, parameters were also laid down, in respect of appointment of Judges to the Supreme Court. The consideration even extended to the appointment of the Chief Justice of the Supreme Court. All this, for ensuring judicial autonomy. It was felt that independence of the judiciary, could be preserved only if primacy in the above causes rested with the judiciary itself, with a minimal involvement of the executive and the legislature. It needs to be highlighted, that independence of judges of the High Courts and the Supreme Court was considered as salient, to ensure due exercise of the power of "judicial review". It would be pertinent to mention, that the judgment rendered by this Court in S.P. Gupta case (supra) came to be doubted in Subhash Sharma v. Union of India, (1991) Suppl. 1 SCC 574. Thereupon, the matter was reconsidered by a constitution bench of nine Judges in, Supreme Court Advocates on Record Association v. Union of India, (1993) 4 SCC 441. On the subject of preserving independence in respect of appointment of judges of the High Courts, as also their transfer, the position recorded earlier in S.P.Gupta case (supra) remained substantially unaltered. So also, of appointments of Chief Justices of High Courts and the Supreme Court. It was reiterated, that to ensure judicial independence, primacy in all these matters should be with the judiciary.

(v) Having recorded the determination rendered by this Court to the effect that "separation of powers", "rule of law" and "judicial review" at the hands of an independent judiciary, constitute the "basic structure" of the Constitution, we are

in a position now to determine, how the aforesaid concepts came to be adopted by this Court, while adjudicating upon the validity of provisions similar to the ones, which are subject of consideration, in the case on hand. The first controversy arose with reference to the Administrative Tribunals Act, 1985, which was enacted under Article 323A of the Constitution. In S.P. Sampath Kumar case (supra), it was sought to be concluded, that the power of "judicial review" had been negated by the aforementioned enactment, inasmuch as, the avenue of redress under Articles 226 and 227 of the Constitution before the High Court, was no longer available. It was also sought to be asserted, that the tribunal constituted under the enactment, being a substitute of the High Court, ought to have been constituted in a manner, that it would be able to function in the same manner as the High Court itself. Since insulation of the judiciary from all forms of interference, even from the coordinate branches of the Government, was by now being perceived as a basic essential feature of the Constitution, it was felt that the same independence from possibility of executive pressure or influence, needed to be ensured for the Chairman, Vice Chairman and Members of the administrative tribunal. In recording its conclusions, even though it was maintained, that "judicial review" was an integral part of the "basic structure" of the Constitution, yet it was held, that Parliament was competent to amend the Constitution, and substitute in place of the High Court, another alternative institutional mechanism or arrangement. This Court, however cautioned, that it was imperative to ensure, that the alternative arrangement, was no less independent, and no less judicious, than the High Court (which was sought to be

replaced) itself. This was conveyed by observing, "if any constitutional amendment made by the Parliament takes away from the High Court the power of "judicial review" in any particular area, and vests it in any other institutional mechanism or authority, it would not be violative of the basic structure doctrine so long as the essential condition is fulfilled, namely, that the alternative institutional mechanism or authority set up by the Parliament by amendment is no less effective than the High Court". The exclusion of the High Courts' jurisdiction under Articles 226 and 227 of the Constitution, it was held, would render the Administrative Tribunals Act, 1985 unconstitutional, unless the amendments to the provisions of Sections 4, 6 and 8 thereof, as suggested by this Court, were carried out. Insofar as Section 4 is concerned, it was suggested that it must be amended so as not to confer absolute and unfettered discretion on the executive in matters of appointment of the Chairman, Vice Chairman and Members of the administrative tribunals. Section 6(1)(c) was considered to be invalid, and as such, needed to be deleted. It was also indicated, that appointment of Chairman, Vice Chairman and Administrative Members should be made by the executive, only in consultation with the Chief Justice of India, and that, such consultation had to be meaningful and effective, inasmuch as, ordinarily the recommendation of the Chief Justice of India ought to be accepted, unless there were cogent reasons not to. If there were any reasons, for not accepting the recommendation, they needed to be disclosed to the Chief Justice. Alternatively, it was commended, that a high powered Selection Committee headed by the Chief Justice or a sitting Judge of the Supreme Court, or of the

concerned High Court (nominated by the Chief Justice of India), could be set up for such selection. If either of these two modes of appointment was adopted, it was believed, that the impugned Act would be saved from invalidation. It was mentioned, that Section 6(2) also needed to be amended, so as to make a District Judge or an Advocate, who fulfilled the qualifications for appointment as a judge of the High Court, eligible for appointment as Vice Chairman. With reference to Section 8 it was felt, that a term of five years of office, would be too short and ought to be suitably extended. It was so felt, because the presently prescribed tenure would neither be convenient to the persons selected for the job, nor expedient to the scheme of adjudication contemplated under the Administrative Tribunals Act. It was also opined, that the Government ought to set up a permanent bench wherever there was a seat of the High Court. And if that was not feasible, at least a circuit bench of the administrative tribunal, wherever there is a seat of the High Court. That would alleviate the hardship, which would have to be faced by persons, who were not residing close to the places at which the benches of the tribunal were set up. In this behalf, it may only be stated that all the suggestions made by this Court were adopted.

(vi) Post S.P. Sampath Kumar case (supra), divergent views came to be expressed in a number of judgments rendered by this Court. It is therefore, that the judgment in S.P. Sampath Kumar case (supra), came up for reconsideration in L. Chandra Kumar case (supra). On reconsideration, this Court declared, that the power of "judicial review" over legislative action was vested in the High Courts under Article 226, and in the Supreme Court under Article 32 of the

Constitution. "Judicial review" was again held to be an integral and essential feature of the Constitution, constituting its "basic structure". It was further concluded, that ordinarily the power of High Courts and the Supreme Court, to test the constitutional validity of legislations, could never be ousted or excluded. It was also held, that the power vested in the High Courts of judicial superintendence over all Courts and tribunals within their respective jurisdictions, was also part of the "basic structure" of the Constitution. And that, a situation needed to be avoided where High Courts were divested from their judicial functions, besides the power of constitutional interpretation. Referring to the inappropriate and ineffective functioning of the tribunals, this Court observed, that the above malady was on account of lack of the responsibility, of fulfilling the administrative requirements of administrative tribunals. It was opined, that the malady could be remedied by creating a single umbrella organization, to ensure the independence of the members of such tribunals, and to provide funds for the fulfillment of their administrative requirements. Although the determination of the governmental organization, to discharge such a role was left open, it was recommended, that it should preferably be vested with the Law Department. With reference to the controversies which arose before the tribunals, it was held, that matters wherein interpretation of statutory provisions or rules, or where the provisions of the Constitution were expected to be construed, the same would have to be determined by a bench consisting of at least two Members, one of whom must be a Judicial Member. Having found that the provisions of the Administrative Tribunals Act, had impinged on the power of "judicial review"

vested in the High Court, clause (2)(d) of Article 323A and clause (3)(d) of Article 323B, to the extent they excluded the jurisdiction of the High Courts and the Supreme Court under Articles 226/227 and 32 of the Constitution, were held to be unconstitutional. Likewise, the "exclusion of jurisdiction" clauses in all other legislations enacted under the aegis of Articles 323A and 323B, were also held to be unconstitutional. In view of the above, it was concluded, that the jurisdiction conferred upon the High Court under Articles 226/227, and upon the Supreme Court under Article 32 of the Constitution, was a part of the inviolable "basic structure" of the Constitution. Since the said jurisdiction could not be ousted, jurisdiction vested in the tribunals would be deemed to be discharging a supplemental role, in the exercise of the powers conferred by Articles 226/227 and 32 of the Constitution. Although it was affirmed, that such tribunals would be deemed to be possessed of the competence to test the constitutional validity of the statutory provisions and rules, it was provided, that all decisions of tribunals would be subject to scrutiny before a division bench of the High Court, within whose jurisdiction the concerned tribunal had passed the order. In the above view of the matter, it was held that the tribunals would act like courts of first instance, in respect of the areas of law, for which they had been constituted. After adjudication at the hands of the tribunals, it would be open for litigants to directly approach the High Courts. Section 5(6) of the Administrative Tribunals Act, interpreted in the manner indicated above, was bestowed with validity.

(vii) In *Union of India v. Madras Bar Association* case (supra), all the conclusions/propositions narrated above, were reiterated and followed,

whereupon the fundamental requirements, which need to be kept in mind while transferring adjudicatory functions from courts to tribunals, were further crystallised. It came to be unequivocally recorded that tribunals vested with judicial power (hitherto before vested in, or exercised by courts), should possess the same independence, security and capacity, as the courts which the tribunals are mandated to substitute. The Members of the tribunals discharging judicial functions, could only be drawn from sources possessed of expertise in law, and competent to discharge judicial functions. Technical Members can be appointed to tribunals where technical expertise is essential for disposal of matters, and not otherwise. Therefore it was held, that where the adjudicatory process transferred to tribunals, did not involve any specialized skill, knowledge or expertise, a provision for appointment of Technical Members (in addition to, or in substitution of Judicial Members) would constitute a clear case of delusion and encroachment upon the independence of the judiciary, and the "rule of law". The stature of the members, who would constitute the tribunal, would depend on the jurisdiction which was being transferred to the tribunal. In other words, if the jurisdiction of the High Court was transferred to a tribunal, the stature of the members of the newly constituted tribunal, should be possessed of qualifications akin to the judges of the High Court. Whereas in case, the jurisdiction and the functions sought to be transferred were being exercised/performed by District Judges, the Members appointed to the tribunal should be possessed of equivalent qualifications and commensurate stature of District Judges. The conditions of service of the members should be such, that they are in a position

to discharge their duties in an independent and impartial manner. The manner of their appointment and removal including their transfer, and tenure of their employment, should have adequate protection so as to be shorn of legislative and executive interference. The functioning of the tribunals, their infrastructure and responsibility of fulfilling their administrative requirements ought to be assigned to the Ministry of Law and Justice. Neither the tribunals nor their members, should be required to seek any facilities from the parent ministries or department concerned. Even though the legislature can reorganize the jurisdiction of judicial tribunals, and can prescribe the qualifications/eligibility of members thereof, the same would be subject to "judicial review" wherein it would be open to a court to hold, that the tribunalization would adversely affect the adjudicatory standards, whereupon it would be open to a court to interfere therewith. Such an exercise would naturally be, a part of the checks and balances measures, conferred by the Constitution on the judiciary, to maintain the rule of "separation of powers" to prevent any encroachment by the legislature or the executive.

64. The position of law summarized in the foregoing paragraph constitutes a declaration on the concept of the "basic structure", with reference to the concepts of "separation of powers", the "rule of law", and "judicial review". Based on the conclusions summarized above, it will be possible for us to answer the first issue projected before us, namely, whether "judicial review" is a part of the "basic structure" of the Constitution. The answer has inevitably to be in the affirmative. From the above determination, the petitioners would like us to further conclude,

that the power of "judicial review" stands breached with the promulgation of the NTT Act. This Court in *Minerva Mills Ltd.* case (supra) held, that it should not be taken, that an effective alternative institutional mechanism or arrangement for "judicial review" could not be made by Parliament. The same position was reiterated in *S.P. Sampath Kumar* case (supra), namely, that "judicial review" was an integral part of the "basic structure" of the Constitution. All the same it was held, that Parliament was competent to amend the Constitution, and substitute in place of the High Court, another alternative institutional mechanism (court or tribunal). It would be pertinent to mention, that in so concluding, this Court added a forewarning, that the alternative institutional mechanism set up by Parliament through an amendment, had to be no less effective than the High Court itself. In *L. Chandra Kumar* case (supra), even though this Court held that the power of "judicial review" over legislative action vested in High Courts, was a part of the "basic structure", it went on to conclude that "ordinarily" the power of High Courts to test the constitutional validity of legislations could never be ousted. All the same it was held, that the powers vested in High Courts to exercise judicial superintendence over decisions of all courts and tribunals within their respective jurisdictions, was also a part of the "basic structure" of the Constitution. The position that Parliament had the power to amend the Constitution, and to create a court/tribunal to discharge functions which the High Court was discharging, was reiterated, in *Union of India v. Madras Bar Association* case (supra). It was concluded, that the Parliament was competent to enact a law, transferring the jurisdiction exercised by High Courts, in regard to

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any specified subject, to any court/tribunal. But it was clarified, that Parliament could not transfer power vested in the High Courts, by the Constitution itself. We therefore have no hesitation in concluding, that appellate powers vested in the High Court under different statutory provisions, can definitely be transferred from the High Court to other courts/tribunals, subject to the satisfaction of norms declared by this Court. Herein the jurisdiction transferred by the NTT Act was with regard to specified subjects under tax related statutes. That, in our opinion, would be permissible in terms of the position expressed above. Has the NTT Act transferred any power vested in courts by the Constitution? The answer is in the negative. The power of "judicial review" vested in the High Court under Articles 226 and 227 of the Constitution, has remained intact. This aspect of the matter, has a substantial bearing, to the issue in hand. And will also lead to some important inferences. Therefore, it must never be overlooked, that since the power of "judicial review" exercised by the High Court under Articles 226 and 227 of the Constitution has remained unaltered, the power vested in High Courts to exercise judicial superintendence over the benches of the NTT within their respective jurisdiction, has been consciously preserved. This position was confirmed by the learned Attorney General for India, during the course of hearing. Since the above jurisdiction of the High Court has not been ousted, the NTT will be deemed to be discharging a supplemental role, rather than a substitutional role. In the above view of the matter, the submission that the NTT Act violates the "basic structure" of the Constitution, cannot be acquiesced to.

65. Even though we have declined to accept the contention advanced on behalf of the petitioners, premised on the "basic structure" theory, we feel it is still essential for us, to deal with the submission advanced on behalf of the respondents in response. We may first record the contention advanced on behalf of the respondents. It was contended, that a legislation (not being an amendment to the Constitution), enacted in consonance of the provisions of the Constitution, on a subject within the realm of the concerned legislature, cannot be assailed on the ground that it violates the "basic structure" of the Constitution. For the present controversy, the respondents had placed reliance on Articles 245 and 246 of the Constitution, as also, on entries 77 to 79, 82 to 84, 95 and 97 of the Union List of the Seventh Schedule, and on entries 11A and 46 of the Concurrent List of the Seventh Schedule. Based thereon it was asserted, that Parliament was competent to enact the NTT Act. For examining the instant contention, let us presume it is so. Having accepted the above, our consideration is as follows. The Constitution regulates the manner of governance in substantially minute detail. It is the fountainhead distributing power, for such governance. The Constitution vests the power of legislation at the Centre, with the Lok Sabha and the Rajya Sabha, and in the States with the State Legislative Assemblies (and in some States, the State Legislative Councils, as well). The instant legislative power is regulated by "Part XI" of the Constitution. The submission advanced at the hands of the learned counsel for the respondents, insofar as the instant aspect of the matter is concerned, is premised on the assertion that the NTT Act has been enacted strictly in

consonance with the procedure depicted in "Part XI" of the Constitution. It is also the contention of the learned counsel for the respondents, that the said power has been exercised strictly in consonance with the subject on which the Parliament is authorized to legislate. Whilst dealing with the instant submission advanced at the hands of the learned counsel for the respondents, all that needs to be stated is, that the legislative power conferred under "Part XI" of the Constitution has one overall exception, which undoubtedly is, that the "basic structure" of the Constitution, cannot be infringed, no matter what. On the instant aspect, some relevant judgments, rendered by constitutional benches of this Court, have been cited hereinabove. It seems to us, that there is a fine difference in what the petitioners contend, and what the respondents seek to project. The submission advanced at the hands of the learned counsel for the petitioners does not pertain to lack of jurisdiction or inappropriate exercise of jurisdiction. The submission advanced at the hands of the learned counsel for the petitioners pointedly is, that it is impermissible to legislate in a manner as would violate the "basic structure" of the Constitution. This Court has repeatedly held, that an amendment to the provisions of the Constitution, would not be sustainable if it violated the "basic structure" of the Constitution, even though the amendment had been carried out, by following the procedure contemplated under "Part XI" of the Constitution. This leads to the determination, that the "basic structure" is inviolable. In our view, the same would apply to all other legislations (other than amendments to the Constitution) as well, even though the legislation had been enacted by following the prescribed procedure, and was

within the domain of the enacting legislature, any infringement to the "basic structure" would be unacceptable. Such submissions advanced at the hands of the learned counsel for the respondents are, therefore, liable to be disallowed. And are accordingly declined.

II. Whether the transfer of adjudicatory functions vested in the High Court to the NTT violates recognized constitutional conventions?

III. Whether while transferring jurisdiction to a newly created court/tribunal, it is essential to maintain the standards and the stature of the court replaced?

66. In addition to the determination on the adjudication of the present controversy on the concept of basic structure, the instant matter calls for a determination on the sustainability of the NTT Act, from other perspectives also. We shall now advert to the alternative contentions. First and foremost, it was the submission of the learned counsel for the petitioners, that it is impermissible for legislature to abrogate/divest the core judicial appellate functions, specially, the functions traditionally vested in a superior court, to a quasi judicial authority devoid of essential ingredients of the superior court. The instant submission was premised on the foundation, that such action is constitutionally impermissible.

67. In order to determine whether or not the appellate functions which have now been vested with the NTT, constituted the core judicial appellate function traditionally vested with the jurisdictional High Courts, we have recorded under the heading – "The Historical Perspective", legislative details, pertaining to the Income Tax Act, the Customs Act and the Excise Act. We had to do so, for that was the only manner to deal with the instant aspect of the controversy. A perusal of the historical perspective reveals, that as against the initial assessment of

tax/duty liability, the first forum for challenge has traditionally been with an executive appellate adjudicatory authority. Legislative details reveal, that for some time there was a power of reference, exercisable on "questions of law". The adjudication thereof rested with the jurisdictional High Courts. The second appellate remedy has always been before a quasi-judicial appellate authority, styled as an Appellate Tribunal. Across the board, under all the enactments which are relevant for the present controversy, proceedings before the Appellate Tribunal have been legislatively described as "judicial proceedings". It is, therefore apparent, that right from the beginning, the clear legislative understanding was, that from the stage of the proceedings before the Appellate Tribunal, the proceedings were of the nature of "judicial proceedings". Again across the board, under all the enactments, relevant for the present controversy, questions of law were originally left to be adjudicated by the jurisdictional High Courts. The reference jurisdiction, was substituted in all the enactments, and converted into appellate jurisdiction. The instant appellate jurisdiction was vested with the jurisdictional High Court. Under the Income Tax Act, 1961, Section 260A, provided an appellate remedy from an order passed by the Appellate Tribunal, to the jurisdictional High Court. Similarly Section 129A of the Customs Act, 1962, and Section 35G of the Central Excise Act, 1944, provided for an appellate remedy from the concerned Appellate Tribunal to the High Court. The jurisdictional High Court would hear appeals on questions of law, against orders passed by the Appellate Tribunals. It is, therefore apparent, that right from the beginning, well before the promulgation of the Constitution, the core

judicial appellate functions, for adjudication of tax related disputes, were vested with the jurisdictional High Courts. The High Courts have traditionally, been exercising the jurisdiction to determine questions of law, under all the above tax legislations. In this view of the matter, it is not possible for us to conclude, that it was not justified for the learned counsel for the petitioners to contend, that the core judicial appellate function in tax matters, on questions of law, has uninterruptedly been vested with the jurisdictional High Courts.

68. Before we proceed with the matter further, it is necessary to keep in mind the composition of the adjudicatory authorities which have historically dealt with the matters arising out of tax laws. First, we shall deal with the composition of the Appellate Tribunals. All Appellate Tribunals which are relevant for the present controversy were essentially comprised of Judicial Members, besides Accountant or Technical Members. To qualify for appointment as a Judicial Member, it was essential that the incumbent had held a judicial office in India for a period of 10 years, or had practiced as an Advocate for a similar period. It is the above qualification, which enabled the enactments to provide, by a fiction of law, that all the said Appellate Tribunals were discharging "judicial proceedings". The next stage of appellate determination, has been traditionally vested with the High Courts. The income-tax legislation, the customs legislation, as well as, the central excise legislation uniformly provided, that in exercise of its appellate jurisdiction, the jurisdictional High Court would adjudicate appeals arising out of orders passed by the respective Appellate Tribunals. The said appeals were by a legislative determination, to be heard by benches comprising of at least two

judges of the High Court. Adjudication at the hands of a bench consisting of at least two judges, by itself is indicative of the legal complications, insofar as the appellate adjudicatory role, of the jurisdictional High Court was concerned. It would, therefore, not be incorrect to conclude, by accepting the submissions advanced at the hands of the learned counsel for the petitioners, that before and after promulgation of the Constitution, till the enactment of the NTT Act, all legislative provisions vested the appellate power of adjudication, arising out of the Income Tax Act, the Customs Act and the Excise Act, on questions of law, with the jurisdictional High Courts.

69. Having recorded the above conclusion, the next issue to be determined is whether the adjudication of the disputes arising out of the provisions under reference, must remain within the realm of the jurisdictional High Courts? The instant proposition has two perspectives. Firstly, whether constitutional interpretation in the manner accepted the world over (details whereof have been narrated by us under the heading – “The Issues canvassed on behalf of the petitioners”, under the sub-title – “The second contention”), would be a constitutional mandate, for the appellate jurisdiction pertaining to tax matters, to remain with the High Court? Secondly, whether the express provisions of the Constitution mandate, that tax issues should be decided by the concerned jurisdictional High Court?

70. We shall first deal with the first perspective, namely, whether constitutional interpretation in the manner accepted the world over, would be a constitutional mandate for appellate jurisdiction on tax matters, to remain with the jurisdictional

High Court. Insofar as the instant aspect of the matter is concerned, reliance was placed on judgments emerging out of the Constitutions of Jamaica, Ceylon, Australia and Canada, rendered either by the Privy Council or the highest Courts of the concerned countries. The contention of the learned counsel for the petitioners was, that the constitutions of the above countries were based on the Westminster model. It was further pointed out, that the Indian Constitution was also based on the Westminster model, and that, the instant position stands recognized in the judgment rendered by this Court in *Union of India v. Madras Bar Association* case (supra). Incidentally, it may be mentioned that we have extracted paragraph 101 of the above judgment hereinabove, wherein it is so recorded. It is accordingly the contention of the learned counsel for the petitioners, that the judgments relied upon by the petitioners on the instant aspect of the matter, would be fully applicable to the controversy in hand. Under the constitutional convention, adverted to in the judgments referred to on behalf of the petitioners, it was submitted, that judicial power which rested with definite courts at the time of enactment of the constitutions based on the Westminster model, had to remain with the same courts, even after the constitutions had become effective and operational. Furthermore, it was submitted, that the judicial power had to be exercised in the same manner as before, i.e., whether by a judge sitting singly, or with other judges. And therefore it was asserted, that on constitutional conventions well recognized the world over, appellate jurisdiction in respect of tax matters, would have to remain with the jurisdictional High Courts, and would have to be determined by a bench of at least two judges of the High

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Court, as was the position before the enactment of the Constitution, and, as has been the position thereafter, till the promulgation of the NTT Act.

71. We have given our thoughtful consideration to the submission advanced at the hands of the learned counsel for the petitioners, insofar as the first perspective is concerned. We find substance in the submission advanced at the hands of the learned counsel for the petitioners, but not exactly in the format suggested by the learned counsel. A closer examination of the judgments relied upon lead us to the conclusion, that in every new constitution, which makes separate provisions for the legislature, the executive and the judiciary, it is taken as acknowledged/conceded, that the basic principle of "separation of powers" would apply. And that, the three wings of governance would operate in their assigned domain/province. The power of discharging judicial functions, which was exercised by members of the higher judiciary, at the time when the constitution came into force, should ordinarily remain with the court, which exercised the said jurisdiction, at the time of promulgation of the new constitution. But the judicial power could be allowed to be exercised by an analogous/similar court/tribunal, with a different name. However, by virtue of the constitutional convention, while constituting the analogous court/tribunal, it will have to be ensured, that the appointment and security of tenure of judges of that court would be the same, as of the court sought to be substituted. This was the express conclusion drawn in Hinds case (supra). In Hinds case it was acknowledged, that Parliament was not precluded from establishing a court under a new name, to exercise the jurisdiction that was being exercised by members of the higher

judiciary, at the time when the constitution came into force. But when that was done, it was critical to ensure, that the persons appointed to be members of such a court/tribunal, should be appointed in the same manner, and should be entitled to the same security of tenure, as the holder of the judicial office, at the time when the constitution came into force. Even in the treatise "Constitutional Law of Canada" by Peter W. Hogg, it was observed; if a province invested a tribunal with a jurisdiction of a kind, which ought to properly belong to a superior, district or county Court, then that court/tribunal (created in its place), whatever is its official name, for constitutional purposes has to, while replacing a superior, district or county Court, satisfy the requirements and standards of the substituted court. This would mean, that the newly constituted court/tribunal will be deemed to be invalidly constituted, till its members are appointed in the same manner, and till its members are entitled to the same conditions of service, as were available to the judges of the court sought to be substituted. In the judgments under reference it has also been concluded, that a breach of the above constitutional convention could not be excused by good intention (by which the legislative power had been exercised, to enact a given law). We are satisfied, that the aforesaid exposition of law, is in consonance with the position expressed by this Court, while dealing with the concepts of "separation of powers", the "rule of law" and "judicial review". In this behalf, reference may be made to the judgments in L. Chandra Kumar case (supra), as also, in Union of India v. Madras Bar Association case (supra). Therein, this Court has recognized, that transfer of jurisdiction is permissible, but in effecting such transfer, the court to which the

power of adjudication is transferred, must be endured with salient characteristics, which were possessed by the court from which the adjudicatory power has been transferred. In recording our conclusions on the submission advanced as the first perspective, we may only state, that our conclusion is exactly the same as was drawn by us while examining the petitioners' previous submission, namely, that it is not possible for us to accept, that under recognized constitutional conventions, judicial power vested in superior courts cannot be transferred to coordinate courts/tribunals. The answer is, that such transfer is permissible. But whenever there is such transfer, all conventions/customs/practices of the court sought to be replaced, have to be incorporated in the court/tribunal created. The newly created court/tribunal would have to be established, in consonance with the salient characteristics and standards of the court which is sought to be substituted.

72. Now we shall deal with the second perspective, namely, whether the provisions of the Indian Constitution itself mandate, that tax issues at the appellate level, must be heard by the concerned jurisdictional High Court. Insofar as the instant aspect of the matter is concerned, learned counsel for the petitioners placed reliance on Articles 50 and 225 of the Constitution. Article 50 of the Constitution was relied upon to demonstrate the intent of the framers of the Constitution, namely, that they wished to ensure the exclusivity and the separation of the judiciary, from the executive. It is not necessary for us to deal with the instant aspect of the matter, for the reason that, in the judgments

rendered by this Court which have been referred to by us hereinabove, the issue has already been debated with reference to Article 50 of the Constitution.

73. The other provision relied upon by the learned counsel for the petitioners is Article 225 of the Constitution. The tenor of the submission advanced by the learned counsel for the petitioners, has been recorded by us while dealing with the second contention (advanced on behalf of the petitioners). The same may be adverted to. There can be no doubt whatsoever, that Article 225 of the Constitution does expressly provide, that the jurisdiction of existing High Courts and the respective powers of the judges thereof "shall be the same as immediately before the commencement of the Constitution". It is also apparent, that the proviso thereto expressly mandates, "that any restriction to which the exercise of original jurisdiction by any of the High Courts with respect to any matter concerning the revenue or concerning any act ordered or done in collection thereof was subject immediately before the commencement of the Constitution shall no longer apply to the exercise of such jurisdiction". Insofar as the contention emerging out of the proviso is concerned, it needs to be pointed out, that the same pertains to "the exercise of original jurisdiction by any of the High Courts". It is, therefore apparent, that the issue in hand, namely, the appellate jurisdiction vested with the jurisdictional High Courts, under the provisions of the Income Tax Act, the Customs Act and the Excise Act, has no bearing to the proviso under reference. We may therefore conclude by recording, that the instant submission advanced on behalf of the petitioners, is not made out from Article 225 of the Constitution.

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IV. Whether Company Secretaries should be allowed to appear before the NTT to represent a party to an appeal in the same fashion, and on parity with Accountants?

V. Whether Section 13(1) of the NTT Act insofar as it allows Accountants to represent a party to an appeal before the NTT is valid?

74. We may first take up for consideration, Writ Petition (Civil) no. 621 of 2007. The same has been filed by members of the Institute of Company Secretaries of India, seeking the right to appear before the NTT, as representatives of a party to an appeal. Respondent no. 5 in the said Writ Petition, is the Institute of Chartered Accountants. It has entered appearance and canvassed that the claim of Company Secretaries and Chartered Accountants is not comparable. While indicating the permissibility of Chartered Accountants to represent a party to an appeal before the NTT on account of their special acumen, their claim is, that this issue raised on behalf of the Company Secretaries is a matter of policy. And therefore, it would not be open to this Court to bestow, on account of parity, the right to represent a party to an appeal, before the NTT, on Company Secretaries.

75. While examining the above contention, we will indeed be dealing with Section 13 of the NTT Act, which has already been extracted while recording the submissions advanced on behalf of the petitioners, with reference to the fourth contention. A perusal of the said provision reveals, that a party to an appeal (other than the Revenue) may appear either in person, or may authorize one or more Chartered Accountants, or legal practitioners, or any person duly authorized by him, to present his case before the NTT. The pointed submission advanced on behalf of the Institute of Chartered Accountants of India was, that under Section 13 of the NTT Act, Chartered Accountants are entitled to appear

before the NTT, because of their recognized acumen. It was submitted, that it is the prerogative of the legislature and a matter of policy, to determine persons who are entitled to appear before the NTT. It was pointed out, that courts should not ordinarily interfere in such policy matters. It is therefore, that learned counsel for the Institute of Chartered Accountants of India, has placed reliance on the decision rendered by this Court in Delhi Pradesh Registered Medical Practitioners v. Director of Health, Delhi Administration Services, (1997) 11 SCC 687, wherefrom our pointed attention was invited to the following observations:-

"2. The propriety and validity of the public notice issued by the Director, Health Services, Delhi Administration indicating that the Indian Medicine Central Council had recognized Ayurveda Ratna and Vaid Visharada degrees awarded by the Hindi Sahitya Sammelan, Prayag, Allahabad only up to 1967 and the certificate of Ayurveda Ratna and Vaid Visharada given by the said organization after 1967 not being recognized under the said Act, registration obtained by any person as a medical practitioner on the basis of such degrees therefore would not be recognized and any person having such qualification would not be entitled to practise in Delhi are impugned in these appeals. It was also indicated in the said public notice that no Indian university or Board conducts one year's course for giving the bachelor's degree in Ayurvedic Medicine or through correspondence course no M.D. Degree in Ayurveda was conferred by any university or Board. The public at large was cautioned by the said public notice published in the newspaper about such position in law.

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5. We are, however, unable to accept such contention of Mr. Mehta. Sub-section (3) of Section 17 of the Indian Medicine Central Council Act, 1970, in our view, only envisages that where before the enactment of the said Indian Medicine Central Council Act, 1970 on the basis of requisite qualification which was then recognized, a person got himself registered as medical practitioner in the disciplines contemplated under the said Act or in the absence of any requirement for registration such person had been practising for five years or intended to be registered and was also entitled to be registered, the right of such person to practise in the discipline concerned including the privileges of a registered medical practitioner stood protected even though such practitioner did not possess requisite qualification under the said Act of 1970. It may be indicated that such view of ours is reflected from the Objects and Reasons indicated for introducing

sub-section (3) of Section 17 in the Act. In the Objects and Reasons, it was mentioned:

"[T]he Committee are of the opinion that the existing rights and privileges of practitioners of Indian Medicine should be given adequate safeguards. The Committee, in order to achieve this object, have added three new paragraphs to sub-section (3) of the clause protecting (i) the rights to practise of those practitioners of Indian Medicine who may not, under the proposed legislation, possess a recognized qualification subject to the condition that they are already enrolled on a State Register of Indian Medicine on the date of commencement of this Act, (ii) the privileges conferred on the practitioners of Indian Medicine enrolled on a State Register, under any law in force in that State, and (iii) the right to practise in a State of those practitioners who have been practising Indian Medicine in that State for not less than five years where no register of Indian Medicine was maintained earlier."

As it is not the case of any of the writ petitioners that they had acquired the degree in between 1957 (*sic* 1967) and 1970 or on the date of enforcement of provisions of Section 17(2) of the said Act and got themselves registered or acquired right to be registered, there is no question of getting the protection under sub-section (3) of Section 17 of the said Act. It is to be stated here that there is also no challenge as to the validity of the said Central Act, 1970. The decision of the Delhi High Court therefore cannot be assailed by the appellants. We may indicate here that it has been submitted by Mr. Mehta and also by Ms. Sona Khan appearing in the appeal arising out of Special Leave Petition No. 6167 of 1993 that proper consideration had not been given to the standard of education imparted by the said Hindi Sahitya Sammelan, Prayag and expertise acquired by the holders of the aforesaid degrees awarded by the said institution. In any event, when proper medical facilities have not been made available to a large number of poorer sections of the society, the ban imposed on the practitioners like the writ petitioners rendering useful service to the needy and poor people was wholly unjustified. It is not necessary for this Court to consider such submissions because the same remains in the realm of policy decision of other constitutional functionaries. We may also indicate here that what constitutes proper education and requisite expertise for a practitioner in Indian Medicine, must be left to the proper authority having requisite knowledge in the subject. As the decision of the Delhi High Court is justified on the face of legal position flowing from the said Central Act of 1970, we do not think that any interference by this Court is called for. These appeals therefore are dismissed without any order as to costs."

Reliance was also placed on State of Rajasthan v. Lata Arun, (2002) 6 SCC 252,

wherein it was held as under:-

"4. The question which arises for determination in this case is whether the respondent had the eligibility qualification for admission in General Nursing and Midwifery and Staff Nurse Course (hereinafter referred to as "Nursing Course") commencing in the year 1990. The Director, Medical and Health Services had invited applications by 15-12-1989 from eligible candidates for admission in the Nursing Course to be started from January 1990. It was stated in the notification that the candidates should have passed first year of three years' degree course (TDC) or 10+2; and that the candidates with Science subjects (Biology, Chemistry, Physics) will be given preference. During the period, the Indian Nursing Council had issued a set of Syllabi and Regulations for courses in General Nursing and Midwifery in which the prescribed minimum educational qualification for all candidates was 12th class-pass or its equivalent preferably with Science subjects.

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10. The points involved in the case are twofold: one relating to prescription of minimum educational qualification for admission to the course and the other relating to recognition of the Madhyama Certificate issued by the Hindi Sahitya Sammelan, Allahabad as equivalent to or higher than +2 or 1st year of TDC for the purpose of admission. Both these points relate to matters in the realm of policy decision to be taken by the State Government or the authority vested with power under any statute. It is not for courts to determine whether a particular educational qualification possessed by a candidate should or should not be recognized as equivalent to the prescribed qualification in the case. That is not to say that such matters are not justiciable. In an appropriate case the court can examine whether the policy decision or the administrative order dealing with the matter is based on a fair, rational and reasonable ground; whether the decision has been taken on consideration of relevant aspects of the matter; whether exercise of the power is obtained with mala fide intention; whether the decision serves the purpose of giving proper training to the candidates admitted or it is based on irrelevant and irrational considerations or intended to benefit an individual or a group of candidates."

76. In addition to the above submissions it was contended, that the Chartered Accountants are permitted to appear before a large number of tribunals/fora. Illustratively it was submitted, that under Section 288 of the Income Tax Act, 1961, read with Rule 50 of the Income Tax Rules, 1962, Chartered Accountants

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are permitted to appear in income tax matters. Likewise, it was asserted that Chartered Accountants are entitled to appear in Central Excise matters under Section 35Q of the Central Excise Act, 1944. They are also permitted to appear in matters arising out of the Customs Act, 1962 (wherefor reliance was placed on Section 146A of the Customs Act, 1962, read with Rule 9(a), Customs (Appeals) Rules, 1982). Besides the aforesaid provisions, it was contended, that Chartered Accountants were entitled to appear before various tribunals/fora under different statutory provisions, such as, under the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Telecom Regulatory Authority of India Act, 1991, the Companies Act, 2013, the Company Law Board Regulations, 1991, the Competition (Amendment) Act, 2007, and the Special Economic Zone Rules, 2006. We were informed, that Chartered Accountants were also entitled to appear before the Central Electricity Regulatory Commission vide Notification dated 27.8.1999. It was submitted, that if Chartered Accountants are competent to canvass complicated disputes which arise under the provisions referred to hereinabove, there should be no difficulty in allowing them to appear before the NTT, as also, to consider them eligible for being appointed as Members of the NTT. It was therefore asserted, that Section 13 of the NTT Act rightly permitted Chartered Accountants to represent a party to an appeal before the NTT. The submission on behalf of the Institute of Chartered Accountants was, that Company Secretaries were not comparable with them, and therefore, as a matter of policy, they had no legitimate claim for being allowed to represent a party before the NTT.

77. It is pertinent to record, that during the course of hearing we had required learned counsel representing the petitioners, to file a compilation of cases, wherein provisions of different laws on diverse subjects had to be taken into consideration, while deciding tax related disputes. In compliance, learned counsel have submitted a compilation on behalf of the Madras Bar Association (in Transferred Case (Civil) no. 150 of 2006), tabulating by way of illustration, reported cases on tax disputes, which also involved provisions of different laws on different subjects. The compilation brought to our notice is summarized hereunder:-

I: Hindu Law:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	Sri Sri Sridhar Jiew v. I.T.O. (1967) 63 ITR 192 (Cal)	A Hindu idol is a juristic entity that is given the status of a human being capable of having property and it can be called an 'individual'.
2	C.E.D. v. Alladi Kuppuswamy (1977) 108 ITR 439 (SC)	Though a widow cannot be a coparcener, she has coparcenary interests and she is also a member of the coparcenary by virtue of the rights conferred by the Hindu Women's Rights to Property Act, 1937.
3	Narendranath v. C.W.T. (1969) 74 ITR 190 (SC)	There is no distinction between property obtained by a member of HUF on a partition and the property that belongs to a member as a sole surviving coparcener by right of survivorship.
4	Goli Eswariah v. C.G.T. (1970) 76 ITR 675 (SC)	A unilateral declaration of a Hindu coparcener, whereby he throws his self-acquired property into the common stock of the joint family property, does not amount to a transfer and, therefore, such an act does not constitute a gift.
5	C.I.T. v. Sandhya Rani Dutta (2001) 248 ITR 201 (SC)	The Supreme Court held that the wife and daughters inheriting the property of a male Hindu do not form a HUF and that they could not also form such family by agreement among themselves by throwing their respective inherited shares in the hotchpot.
6	C.I.T. v. Bharat Prasad Anshu	The gift of property of a HUF to the members of the family is not void but voidable.

- Kumar
(2001) 249 ITR
755 (Delhi)
- 7 C.W.T. v. M.A.R. Rajkumar
(1997) 226 ITR
804 (AP) Even the fact that the wife had given up her right to maintenance does not mean that she is no longer a member of the family of her husband.
- 8 C.G.T. v. B.S. Apparao
(2001) 248 ITR
103 (AP) The amount spent by a Hindu father on his daughter's marriage is treated as maintenance (and not a gift) under the Hindu Adoptions and Maintenance Act, 1956.
- 9 Gowli Buddanna v. C.I.T.
60 ITR 293 (SC) A sole surviving coparcener can constitute a Hindu undivided family.
- 10 C.W.T. v. Chander Sen
161 ITR 370(SC) The separate property of the father inherited upon intestacy by the son is to be treated as the son's separate property and not as the property of his joint family.
- 11 C.I.T. v. Radhe Shyam Agrawal
230 ITR 21
(Patna) If on partition of the family, separate shares are allotted to the *karta*, his wife and children, the existence of the Hindu undivided family comes to an end, and the share of the erstwhile *karta* becomes his separate property.
- 12 Kaniram Hazarimull v. C.I.T.
27 ITR 294 (Cal) A joint Hindu family, as such, cannot be a partner in a firm. However, it may enter into a partnership through its *karta*.
- 13 C.I.T. v. Bainik Industries
119 ITR 282 Pat) A female member, as a member of a joint family, can become a partner in a firm as the representative of her family.
- 14 C.G.T. v. Getti Chettiar
82 ITR 599 (SC) Unequal partition amongst coparceners in a HUF does not amount to a gift.
- 15 Paramanand Bajaj v. C.I.T.
135 ITR 673(Kar) In the reunion of a HUF, all assets originally partitioned need not be pooled back.
- 16 Pushpa Devi v. C.I.T.
109 ITR 730(SC) The scope of the theory of blending in Hindu law was discussed in detail.
- 17 C.I.T. v. B. Indira Devi
238 ITR 846
(Ker) Gift deed executed by the assessee in favour of her daughter to secure her future after marriage was not due to any legal obligation enjoined upon the assessee by virtue of Section 20 of the Hindu Adoptions and Maintenance Act, but for other considerations. Therefore, the gift being voluntary within the meaning of Section 2(xii) of the Gift Tax Act, 1964, was liable to tax.

- 18 Sathyaprana Manjunatha Gowda v. C.E.D. 227 ITR 130 (SC) Meaning of "coparcenary", "HUF" and "survivorship" discussed.
- 19 C.I.T. v. Shakuntala (1961) 43 ITR 352 (SC) Income from shares held by the members of HUF cannot be termed as the income of HUF.
- 20 C.W.T. v. Late R. Sridharan 104 ITR 436 (SC) Divided member marrying a Christian under Special Marriage Act, 1956. HUF way of living practiced by divided member and son – continue to be HUF – meaning of word "Hindu" discussed.

II: Company Law:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	C.I.T. v. Light Publications Ltd. (2001) 251 ITR 0120 (Guj.)	A private company becoming a public company by virtue of the provisions of Section 43A of the Companies Act, 1956 may still not become a "company in which the public are substantially interested" due to the restriction imposed on its shareholders upon transferability of its shares to the other members of the public.
2	C.I.T. v. Sunaero Ltd. (2012) 345 ITR 0163 (Del)	Presumption that a registered shareholder holds the share in his own right and any claim that shares were being held as a nominee has to be proved by the person claiming so.
3	Rajasthan Financial Corporation v. C.I.T. 163 ITR 278(Raj)	Shares of a single type issued by a State Financial Corporation providing for minimum and maximum dividend cannot be termed as 'preference shares'.
4	Bacha F. Guzdar v. C.I.T. AIR 1955 SC 74	(i) Partnership is merely an association of persons for carrying on the business of partnership and, in law, the firm name is a compendious method of describing the partners. Such is, however, not the case of a company which stands as a separate juristic entity distinct from the shareholders. (ii) Shareholders have no right in the property of the company. They are only entitled to dividends and a share in the surplus, if any, after the dissolution of the company.
5	Juggital Kamlapat v. C.I.T. AIR 1969 SC 932; C.I.T. v. Poulouse and	Although company is a separate legal entity, in certain exceptional cases, the Court can lift the veil of the corporate entity and have regard to the economic realities behind the legal façade.

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- Mathen (Pvt.)
Ltd.
(1999) 236 ITR
416 (Ker)
- 6 C.G.T. v. Indo Traders & Agencies (Madras) Ltd. 131 ITR 313 (Mad) Valuation of shares-reasonable valuation has to be accepted unless the valuation shocks conscience of the court.
- 7 Vodafone International Holdings BV v. UoI 341 ITR 1 (SC) In company law, there is no transfer of a share when there is a transfer of underlying assets. Various issues of lifting of the corporate veil discussed. Also discussed, briefly, the enforceability of shareholders' agreements.
- 8 C.I.T. v. Suleman Khan and Mahaboob Khan and Co. (2002) 257 ITR 0170 (AP) A firm of 20 major partners and 3 minor partners does not contravene Section 11(2) of the Companies Act, 1956 since minors are not to be reckoned as partners for the purposes of the calculation.
- 9 Marshall Sons and Co. (India) Ltd. v. I.T.O. (1997) 223 ITR 809 (SC) Amalgamation – date of transfer/ date of amalgamation / transfer is the date specified in the scheme as the transfer date.
- 10 C.I.T. v. Mrs. Grace Collis and others 248 ITR 323(SC) a) On amalgamation there is an extinguishment of rights and, therefore, there is a transfer.
b) The amalgamation scheme sanctioned by the court would be an instrument within the meaning of Section 2(1) of the Bombay Stamp Act, 1958, and liable for stamp duty. A document creating or transferring a right is an instrument.
- 11 Anarkali Sarabhai v. C.I.T. 227 ITR 260(SC) Redemption of preference shares amounts to transfer and is liable to capital gains.
- 12 C.I.T. v. Artex Manufacturing Co. 227 ITR 260(SC) Gains arising out of slump sale of business as a going concern is liable to tax under Section 41(2) on itemized basis if slump sale is determined on valuation of each asset/ liability.
- 13 C.I.T. v. Gold Mohore Investment Company Ltd. (1970) 78 ITR 16 (SC) Valuation of bonus shares – The correct method to apply in cases where bonus shares rank *pari passu* is to take the cost of the original shares and to spread it over all the original as well as the bonus shares and to find out the average price of all the shares.

- 14 Hansur Plywood Works Ltd. v. C.I.T. (1998) 229 ITR 112 (SC) When a shareholder gets a bonus share the value of the original share held by him goes down. In effect, the shareholder gets two shares instead of the one share held by him and the market value as well as the intrinsic value of the two shares put together will be the same or nearly the same as the value of the original share before the bonus issue.
- 15 Shree Gopal Paper Mills Ltd. v. C.I.T. (1967) 64 ITR 233 (Cal) Issuance of share takes place when entry of name of subscriber or successful offerer is made in the Register of Members.
- 16 Dalmia Investment Co. Ltd. v. C.I.T. (1961) 41 ITR 705 (Pat) Though no cash is paid by the shareholders for allotment of the bonus shares, the set-off for dividend which was due to be paid to the shareholder out of undistributed profits of company can be regarded as consideration for the bonus shares. Therefore, real cost of bonus shares to shareholder/assessee is the value of shares as shown in books of account of the company.
- 17 Anarkali Sarabhai v. C.I.T. 227 ITR 260 (SC) Redemption of preference shares is "transfer" and liable to capital gains.
- 18 C.I.T. v. Artex Manufacturing Co. 227 ITR 260 (SC) Gains arising out of "slump sale" of a business as a going concern is liable to tax under Section 41(2) on itemized basis if the slump sale is determined on valuation of each asset/liability.

III: Mohammedan Law:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	Trustees of Sahebzadi Oalia Kulsium Trust v. C.E.D. [1998] 233 ITR 434 (SC)	A gift was made to the assessee by his father granting him life estate and the remainder to his children. Deed was held to be void under Mohammedan law. It was held to be an absolute gift.
2	S.C.M. Mohammed v. C.I.T. [1999] 235 ITR 75 (Mad)	Principles of Mohammedan law regarding gift analyzed and applied - gift with limited estate not valid in Muslim law - gift to be that of an entire property though the document only gave him a limited right.
3	Ghiasuddin Babu Khan v. C.I.T. [1985] 153 ITR	Deferred dower on the dissolution of marriage by death or divorce is not a contingent debt because one of the two events is bound to happen. Wife cannot demand the

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- 707 (AP) payment of deferred dower before the event, but husband can pay even earlier.
- 4 Ziauddin Ahmed v. C.G.T. (1976) 102 ITR 253 (Gau) A family arrangement is valid amongst Muslims.
- 5 C.I.T. v. Puthiya Ponmanichintakam Wakf, 44 ITR 172 (SC) A wakf cannot be a partner, but the *mutawalli* of a wakf can be.
- 6 Ahmed G H Ariff v. C.W.T. 76 ITR 471 (SC) Held, the moment a wakf is created all rights of property pass out of wakf and vest in the Almighty – Property is a term of the widest import and subject to any limitation which the context may require; it signifies every possible interest which a person can clearly hold or enjoy.

IV: Family Arrangement:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	C.I.T. v. R. Ponnammal (1987) 164 ITR 706 (Mad)	Even if a party to the settlement had no title but, under the family arrangement, the other party relinquishes all its claims or titles in favour of such a person and acknowledges him to be the sole owner, then the antecedent title must be assumed and the family arrangement will be upheld.
2	C.I.T. v. Shanti Chandran (2000) 241 ITR 371 (Mad)	An asset acquired by way of a family arrangement to be considered as an asset acquired on partition or other succession.

V: Law of Partnership:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	C.I.T. v. Palaniappa Enterprises (1998) 234 ITR 635 (Mad)	Asset of partnership firm – transfer to partner by agreement – not valid – registered deed necessary.
2	Saraladevi Sarabhai v. C.I.T. (2001) 250 ITR 745 (Guj)	Contribution of capital by a partner to a firm constitutes "transfer".
3	Sunil Siddharthabhai v. C.I.T.	Conversion of an exclusive interest into a shared interest would amount to a "transfer" and does not amount to a conveyance by way of sale.

- (1985) 156 ITR
509 (SC)
- 4 C.I.T. v. S. Rajamani and Thangarajan Industries (2000) 241 ITR 668 (Mad)
- 5 Malabar Fisheries v. C.I.T. (1979) 120 ITR 49 (SC)
- 6 C.I.T. v. Gupta Brothers (1981) 131 ITR 492 (All)
- 7 C.G.T. v. Pranay Kr. Saharia (1993) 204 ITR 78 (Gau)
- 8 Beniram Moolchand v. C.I.T. 25 ITR 287 (All)
- 9 C.I.T. v. Chandra Shekhar Pawan Kumar 203 ITR 435 (Raj.)
- 10 Addl. C.I.T. v. Mohanbhai Pamabhai 165 ITR 166 (SC)
- 11 Manohardas Kedarnath v. C.I.T. 25 ITR 287 (All)
- 12 C.I.T. v. Bharani Pictures (Mad) (1981) 129 ITR 244
- Transaction of a partner with the firm, during the subsistence of the firm requires a registered instrument, where the transaction involves immovable property.
- Distribution of assets on dissolution is not transfer by the firm.
- Validity of partnership – contribution of partner need not be cash or property. Skill and labor would constitute contribution.
- Minors who were admitted to the benefits of the partnership could not claim their share of goodwill on the reconstruction of the firm by excluding the minors and consequently they were not liable to gift-tax.
- The mere fact that two persons take a commission agency business jointly would not necessarily constitute a partnership between them.
- If a partnership has been entered between two persons of whom one is a benamidar of the other, there is no relation of partnership between the two persons and one person cannot constitute a firm.
- On retirement of a partner from the firm, there is no transfer of interest of the partner in the assets thereof including the goodwill. The amount received is not assessable as capital gains. This case law is valid even after amendment in Section 45(4) which talks of dissolution or otherwise transferred.
- It is open to the partners to agree not to take the whole of the firm's profits for their personal use and to reserve a part of the firm's profits for charity.
- A partner has no interest in the property of the firm. In a case where there are two partners and one signs a release deed to a property in favour of the other, it is in fact a transfer from the partnership to that partner.

VI: Territoriality :

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	C.I.T. v. H.E.H. Mir Osman Ali Bahadur (1966) 59 ITR 666 (SC)	The case involved international law, municipal law and a covenant between the Government of India and the Nizam of Hyderabad. Held, that Hyderabad State never acquired an international personality under international law and its ruler was not entitled to claim immunity from taxation of his income.
2	Electronics Corporation of India Ltd. v. C.I.T. 183 ITR 43 (SC)	Legislative powers of Parliament to enact laws which have provisions of having extra-territorial operation, is within the competence of Parliament. But nexus with something in India or object relating to India necessary.
3	G.V.K. Industries Ltd. v. I.T.O. 332 ITR 130 (SC)	Parliament is constitutionally restricted from enacting legislation with respect to extra-territorial aspects or causes that do not have, nor are expected to have, any direct or indirect, tangible or intangible, impact on or effect in or consequences for (a) the territory of India, or any part of India; or (b) the interests of, welfare of, well-being of, or security of inhabitants of India and Indians.
4	C.I.T. v. R.D. Agarwal & Co. 56 ITR 20	Business connection – there must be continuity as well as real and intimate relation between trading activity carried on outside the taxable territories and trading activity within the territories, the relation between the two contributing to the earning of income by the nonresident in his trading activity.

VII: Trusts/ Societies:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	L.R. Patel Family Trust v. I.T.O. 262 ITR 520 (Bom)	Trustees of a fixed (specific) trust cannot be considered as an association of persons or body of individuals.
2	C.I.T. v. Thanthi Trust (1982) 137 ITR 735 (Mad)	Discussion on the Doctrine of Cypres as applicable to public charities.
3	C.I.T. v. Swashraya 286 ITR 265 (Guj)	Power of trustees to contract on behalf of trust. Consent of beneficiaries, if necessary.
4	Pandit v. C.I.T.	The number of ultimate beneficiaries of a trust may increase

- (1972) 83 ITR
136 (Bom)
- 5 C.I.T. v. All India Hindu Mahasabha
140 ITR 748 (Del)
- 6 Tulsidas Kilachand v. C.I.T.
42 ITR 1 (SC)
- 7 C.I.T. v. P. Bhandari
(1984) 147 ITR 500 (Mad)
- or decrease by reason of death and other circumstances and the interests of beneficiaries may, at a relevant date, be only contingent and may become vested at much a later date. If at that date, the beneficiaries can be ascertained, the Court must hold that the beneficiaries are determinate and known and that assets are held by the trustees for their benefit.
- A society registered under the Societies Registration Act may be treated as an association of persons.
- India Trust Act, 1882 – trustee can also be a beneficiary.
- Trust may be created in favour of an unborn person if it satisfies conditions laid down in Section 13 of the Transfer of Property Act, 1882, even though coming into existence of such a beneficiary is uncertain. A trust deed cannot be bad for uncertainty or vagueness.

VIII: Contract Law :

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	C.I.T. v. Shantilal Pvt. Ltd. (1983) 144 ITR 57 (SC)	Nature of breach – whether payment of damage results in settlement of the original contract.
2	C.I.T. v. Best & Co. P. Ltd. 60 ITR 11 (SC)	Compensation received on termination of agency and restrictive covenant – nature of receipt – revenue or capital – restrictive covenant – whether an independent obligation – whether compensation severable.
3	N. Sundareswaran v. C.I.T. (1997) 226 ITR 142 (Ker)	Breach of contract – arbitration clause – scope of Section 73 – liquidated and unliquidated damages – no deduction can be claimed on potential liability for damages.

IX: Transfer of Property Act :

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	Bansidhar Sewabhogowan	Difference between a sale with a condition to re-purchase and a mortgage by conditional sale.

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- & Co. v. C.I.T.
(1996) 222 ITR
16 (Gau)
- 2 Jagadishchandra n v. C.I.T.
227 ITR 240
(SC)
Arunachalam v.
C.I.T.
227 ITR 222(SC)
- 3 C.I.T. v. Brig.
Kapil Mohan
252 ITR 830
(Del)
- 4 C.G.T. v. Aloka
Lata Sett
(1991) 190 ITR
556 (Cal)
- 5 C.I.T. v. N.R.
Bhusanraj
(2002) 256 ITR
0340 (Mad)

Whether self-created mortgage or mortgage by previous owner affects the cost of acquisition.

Though a transfer cannot be made directly to an unborn person, since under the definition of "transfer" in Section 5 of the Transfer of Property Act, 1882, a transfer is limited to living persons, transfer to an unborn person can only be made by the machinery of trusts.

If two registered documents re-executed by the same person in respect of the same property to two different persons at different times, the one which was executed first has priority over the other, although the former was registered subsequent to the latter. In other words, registration of a document relates to the date of its execution.

Whether a sale along with deed for re-conveyance of property amounts to transfer under both common law and income-tax law?

X: Intellectual Property :

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	Anantram v. C.I.T. 5 ITR 511 (Lah)	The assignment of a patent is a transaction on capital account, but where a person carries on a trade in the buying and selling of patents or habitually sells his own patents, or carries on the vocation of an inventor, the sale proceeds would be business income.
2	Mysore Elect. V. C.I.T. 114 ITR 865 (Kar)	If the owner gets a lump sum or periodic payment for imparting the know-how to others, without substantially reducing its value to himself, the payment would ordinarily be taxable as business income and the ground that the exploitation of the know-how is in the course of business and the imparting is no more than a business service of however special kind.
3	Janki v. C.I.T.	Royalties paid by a licensee for the right to take away earth

5 ITC 42

to be used for brick making or extracting saltpeter are income. The fact that removal of the soil itself is involved does not make the case any different from cases of royalties on underground coal and quarries

XI: Interpretation :

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	Prakash Nath Khanna v. C.I.T. (2004) 266 ITR 1 (SC)	The SC ruled that interpretation should avoid "the danger of a prior determination of the meaning with one's own preconceived notions" and that the court interprets the law and cannot legislate. It referred to two other principles of construction, one relating to <i>casus omissus</i> and the other requiring a statute to be read as a whole.
2	I.T.A.T. vs. V.K. Agarwal 235 ITR 175(SC)	Contempt of court – law applicable to ITAT.
3	C.I.T. v. Bhogilal Mangilal 69 ITR 288 (Guj)	<u>Spes Successionis</u> – Transfer of Property Act dealt with.
4	Ellerman Lines Ltd. v. C.I.T. (1971) 82 ITR 913 (SC) C.I.T. v. K.P. Varghese (1981) 131 ITR 597 (SC)	Discusses the binding nature of CBDT's instructions on the revenue department.

XII: Miscellaneous:

Sl. No	Name and citation of case	Allied subject/law adjudicated upon
1	Sree Meenakshi Mills v. C.I.T. 31 ITR 25 (SC)	Benami – meaning and effect of taxation in benamidars hands discussed.
2	Leo Machado v. C.I.T. 172 ITR 744 (Mad)	Boat belonging to the assessee met with an accident and sank in high seas; the compensation received from insurance company was due to destruction of property, thus no "transfer" as contemplated by Section 45 read with Section 48. The insurance amount received cannot be considered as consideration and amount received not liable to capital gains tax.
3	Gangadhar Bera v. Asst. C.I.T. (2004) 190 ITR	A clarificatory notice is a mere addendum to the original notice and the effect of clarification is always retrospective so it must relate to the original notice. A mere non-mention

- 467 (Cal)
- 4 C.I.T. v. Andhra Chamber of Commerce
55 ITR 722 (SC)
- 5 Deccan Wine & General Stores v. C.I.T.
(1977) 106 ITR 111 (AP)
- 6 C.I.T. v. Maharashtra Sugar Mills Ltd.
(1971) 82 ITR 452 (Bom)
- 7 I.T.O. v. M.K. Mohammed Kunhi
(1968) 71 ITR 815 (SC)
- 8 C.I.T. v. Indira Balakrishna
(1960) 39 ITR 546 (SC)
- 9 C.I.T. v. H.H. Maharani Usha Oevi
231 ITR 793 (MP)
- 10 C.I.T. v. Bai Shrinbhai Kooka
46 ITR 86 (SC)
- 11 Dhakeswari Cotton Mills v. C.I.T.
(1954) 26 ITR 775
- 12 Chemsford Club v. C.I.T.
243 ITR 89 (SC)
C.I.T. v. Bankipur Club Ltd.
226 ITR 97 (SC)
- of specific clause does not render notice bad in law.
The expression "charitable purpose" is very wide in its amplitude. The object need not benefit the whole mankind or even all persons living in a particular country or province. It is sufficient if the intention is to benefit a section of the public as distinguished from the specified individuals.
- Explained the difference between 'association of persons' and 'body of individuals'.
- What constitutes an agricultural activity?
There must be cultivation of land in the strict sense of the term meaning thereby tilling the land.
- Income Tax Appellate Tribunal has inherent power to grant stay of collection taxes and proceedings.
- Association of persons – when persons do not combine together to produce income, they cannot be assessed as an AOP.
Note – The law has been amended after 1.4.2002
- Personal effects of a ruler (heirloom jewellery) is not taxable upon its sale for a profit.
- When an person re-values his capital asset and credits his capital account there is no gain for the purpose of taxation. One cannot make loss or profit out of transactions with himself.
- Principles of Natural Justice set out almost for the first time – *locus classicus*.
- Principle of mutuality applies to income from property.

It is apparent from the compilation extracted hereinabove, that the Members of the NTT would most definitely be confronted with the legal issues emerging out of Family Law, Hindu Law, Mohammedan Law, Company Law, Law of Partnership, Law related to Territoriality, Law related to Trusts and Societies, Contract Law, Law relating to Transfer of Property, Law relating to Intellectual Property, Interpretation of Statutes, and other Miscellaneous Provisions of Law, from time to time. The NTT besides the aforesaid statutes, will not only have to interpret the provisions of the three statutes, out of which appeals will be heard by it, but will also have to examine a challenge to the vires of statutory amendments made in the said provisions, from time to time. They will also have to determine in some cases, whether the provisions relied upon had a prospective or retrospective applicability.

78. Keeping in mind the fact, that in terms of Section 15 of the NTT Act, the NTT would hear appeals from the Income Tax Appellate Tribunal and the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) only on "substantial questions of law", it is difficult for us to appreciate the propriety of representation, on behalf of a party to an appeal, through either Chartered Accountants or Company Secretaries, before the NTT. The determination at the hands of the NTT is shorn of factual disputes. It has to decide only "substantial questions of law". In our understanding, Chartered Accountants and Company Secretaries would at best be specialists in understanding and explaining issues pertaining to accounts. These issues would, fall purely within the realm of facts. We find it difficult to accept the prayer made by the Company Secretaries to

allow them, to represent a party to an appeal before the NTT. Even insofar as the Chartered Accountants are concerned, we are constrained to hold that allowing them to appear on behalf of a party before the NTT, would be unacceptable in law. We accordingly reject the claim of Company Secretaries, to represent a party before the NTT. Accordingly the prayer made by Company Secretaries in Writ Petition (Civil) no. 621 of 2007 is hereby declined. While recording the above conclusion, we simultaneously hold Section 13(1), insofar as it allows Chartered Accountants to represent a party to an appeal before the NTT, as unconstitutional and unsustainable in law.

VI. The constitutional validity of Sections 5, 6, 7, 8 and 13 of the NTT Act:

79. We shall now endeavour to deal with the validity of some other individual provisions of the NTT Act, based on the parameters laid down by constitutional benches of this Court and on the basis of recognized constitutional conventions referable to constitutions framed on the Westminster model. While dealing with the prayers made in Writ Petition (Civil) no. 621 of 2007, we have already dealt with Section 13 of the NTT Act, and have held, the same to be partly unconstitutional. We shall now proceed chronologically, and examine the validity of Sections 5, 6, 7 and 8 of the NTT Act.

80. We shall first examine the validity of Section 5 of the NTT Act. The basis of challenge to the above provision, has already been narrated by us while dealing with the submissions advanced on behalf of the petitioners, with reference to the fourth contention. According to the learned counsel for the

petitioners, Section 5(2) of the NTT Act mandates, that the NTT would ordinarily have its sittings in the National Capital Territory of Delhi. According to the petitioners, the aforesaid mandate would deprive the litigating assessee, the convenience of approaching the jurisdictional High Court in the State, to which he belongs. An assessee may belong to a distant/remote State, in which eventuality, he would not merely have to suffer the hardship of traveling a long distance, but such travel would also entail uncalled for financial expense. Likewise, a litigant assessee from a far-flung State may find it extremely difficult and inconvenient to identify an Advocate who would represent him before the NTT, since the same is mandated to be ordinarily located in the National Capital Territory of Delhi. Even though we have expressed the view, that it is open to the Parliament to substitute the appellate jurisdiction vested in the jurisdictional High Courts and constitute courts/tribunals to exercise the said jurisdiction, we are of the view, that while vesting jurisdiction in an alternative court/tribunal, it is imperative for the legislature to ensure, that redress should be available, with the same convenience and expediency, as it was prior to the introduction of the newly created court/tribunal. Thus viewed, the mandate incorporated in Section 5(2) of the NTT Act to the effect that the sittings of the NTT would ordinarily be conducted in the National Capital Territory of Delhi, would render the remedy inefficacious, and thus unacceptable in law. The instant aspect of the matter was considered by this Court with reference to the Administrative Tribunals Act, 1985, in S.P. Sampath Kumar case (supra) and L. Chandra Kumar case (supra), wherein it was held, that permanent benches needed to be established at the

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seat of every jurisdictional High Court. And if that was not possible, at least a circuit bench required to be established at every place where an aggrieved party could avail of his remedy. The position on the above issue, is no different in the present controversy. For the above reason, Section 5(2) of the NTT Act is in clear breach of the law declared by this Court.

81. One needs to also examine sub-sections (2), (3), (4) and (5) of Section 5 of the NTT Act, with pointed reference to the role of the Central Government in determining the sitting of benches of the NTT. The Central Government has been authorized to notify the area in relation to which each bench would exercise jurisdiction, to determine the constitution of the benches, and finally, to exercise the power of transfer of Members of one bench to another bench. One cannot lose sight of the fact, that the Central Government will be a stakeholder in each and every appeal/case, which would be filed before the NTT. It cannot, therefore, be appropriate to allow the Central Government to play any role, with reference to the places where the benches would be set up, the areas over which the benches would exercise jurisdiction, the composition and the constitution of the benches, as also, the transfer of the Members from one bench to another. It would be inappropriate for the Central Government, to have any administrative dealings with the NTT or its Members. In the jurisdictional High Courts, such power is exercised exclusively by the Chief Justice, in the best interest of the administration of justice. Allowing the Central Government to participate in the aforestated administrative functioning of the NTT, in our view, would impinge upon the independence and fairness of the Members of the NTT. For the NTT

Act to be valid, the Chairperson and Members of the NTT should be possessed of the same independence and security, as the judges of the jurisdictional High Courts (which the NTT is mandated to substitute). Vesting of the power of determining the jurisdiction, and the postings of different Members, with the Central Government, in our considered view, would undermine the independence and fairness of the Chairperson and the Members of the NTT, as they would always be worried to preserve their jurisdiction based on their preferences/inclinations in terms of work, and conveniences in terms of place of posting. An unsuitable/disadvantageous Chairperson or Member could be easily moved to an insignificant jurisdiction, or to an inconvenient posting. This could be done to chastise him, to accept a position he would not voluntarily accede to. We are, therefore of the considered view, that Section 5 of the NTT Act is not sustainable in law, as it does not ensure that the alternative adjudicatory authority, is totally insulated from all forms of interference, pressure or influence from co-ordinate branches of Government. There is therefore no alternative, but to hold that sub-sections (2), (3), (4) and (5) of Section 5 of the NTT Act are unconstitutional.

82. We shall now examine the validity of Section 6 of the NTT Act. The above provision has already been extracted in an earlier part of this judgment, while dealing with the submissions advanced on behalf of the petitioners, with reference to the fourth contention. A perusal of Section 6 reveals, that a person would be qualified for appointment as a Member, if he is or has been a Member of the Income Tax Appellate Tribunal or of the Customs, Excise and Service Tax

Appellate Tribunal for at least 5 years. While dealing with the historical perspective, with reference to the Income Tax legislation, the Customs legislation, as also, the Central Excise legislation, we have noticed the eligibility of those who can be appointed as Members of the Appellate Tribunals constituted under the aforesaid legislations. Under the Income Tax Act, a person who has practiced in accountancy as a Chartered Accountant (under the Chartered Accountants Act, 1949) for a period of 10 years, or has been a Registered Accountant (or partly a Registered Accountant, and partly a Chartered Accountant) for a period of 10 years, is eligible to be appointed as an Accountant Member. Under the Customs Act and the Excise Act, a person who has been a member of the Indian Customs and Central Excise Service (Group A), subject to the condition, that such person has held the post of Collector of Customs or Central Excise (Level I), or equivalent or higher post, for at least 3 years, is eligible to be appointed as a Technical Member. It is apparent from the narration recorded hereinabove, that persons with the above qualifications, who were appointed as Accountant Members or Technical Members in the respective Appellate Tribunals, are also eligible for appointment as Members of the NTT, subject to their having rendered specified years' service as such. The question to be determined is, whether persons with the aforesaid qualifications, satisfy the parameters of law declared by this Court, to be appointed as, Members of the NTT? And do they satisfy the recognized constitutional conventions?

83. This Court has declared the position in this behalf in L. Chandra Kumar case (supra) and in Union of India v. Madras Bar Association case (supra), that

Technical Members could be appointed to the tribunals, where technical expertise is essential for disposal of matters, and not otherwise. It has also been held, that where the adjudicatory process transferred to a tribunal does not involve any specialized skill, knowledge or expertise, a provision for appointment of non-Judicial Members (in addition to, or in substitution of Judicial Members), would constitute a clear case of delusion and encroachment upon the "independence of judiciary", and the "rule of law". It is difficult to appreciate how Accountant Members and Technical Members would handle complicated questions of law relating to tax matters, and also questions of law on a variety of subjects (unconnected to tax), in exercise of the jurisdiction vested with the NTT. That in our view would be a tall order. An arduous and intimidating asking. Since the Chairperson/Members of the NTT will be required to determine "substantial questions of law", arising out of decisions of the Appellate Tribunals, it is difficult to appreciate how an individual, well-versed only in accounts, would be able to discharge such functions. Likewise, it is also difficult for us to understand how Technical Members, who may not even possess the qualification of law, or may have no experience at all in the practice of law, would be able to deal with "substantial questions of law", for which alone, the NTT has been constituted.

84. We have already noticed hereinabove, from data placed on record by the learned counsel for the petitioners, that the NTT would be confronted with disputes arising out of Family Law, Hindu Law, Mohemmedan Law, Company Law, Law of Partnership, Law relating to Territoriality, Law relating to Trusts and

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Societies, Contract Law, Law relating to Transfer of Property, Law relating to Intellectual Property, Interpretation of Statutes/Rules, and other Miscellaneous Provisions of Law. Besides the above, the Members of the NTT will regularly have to interpret the provisions of the Income Tax Act, the Customs Act and the Excise Act. We are of the considered opinion, that only a person possessing professional qualification in law, with substantial experience in the practice of law, will be in a position to handle the onerous responsibilities which a Chairperson and Members of the NTT will have to shoulder.

85. There seems to be no doubt, whatsoever, that the Members of a court/tribunal to which adjudicatory functions are transferred, must be manned by judges/members whose stature and qualifications are commensurate to the court from which the adjudicatory process has been transferred. This position is recognized the world over. Constitutional conventions in respect of Jamaica, Ceylon, Australia and Canada, on this aspect of the matter have been delineated above. The opinion of the Privy Council expressed by Lord Diplock in Hind case (supra), has been shown as being followed in countries which have constitutions on the Westminster model. The Indian Constitution is one such Constitution. The position has been clearly recorded while interpreting constitutions framed on the above model, namely, that even though the legislature can transfer judicial power from a traditional court, to an analogous court/tribunal with a different name, the court/tribunal to which such power is transferred, should be possessed of the same salient characteristics, standards and parameters, as the court the power whereof was being transferred. It is not possible for us to accept, that

Accountant Members and Technical Members have the stature and qualification possessed by judges of High Courts.

86. It was not disputed, that the NTT has been created to handle matters which were earlier within the appellate purview of the jurisdictional High Courts. We are accordingly satisfied, that the appointment of Accountant Members and Technical Members of the Appellate Tribunals to the NTT, would be in clear violation of the constitutional conventions recognized by courts, the world over. References on questions of law (under the three legislative enactments in question), were by a legislative mandate, required to be adjudicated by a bench of at least two judges of the jurisdictional High Court. When the remedy of reference (before the High Court) was converted into an appellate remedy (under the three legislative enactments in question), again by a legislative mandate, the appeal was to be heard by a bench of at least two judges, of the jurisdictional High Court. One cannot lose sight of the fact, that hitherto before, the issues which will vest in the jurisdiction of the NTT, were being decided by a bench of at least two judges of the High Court. The onerous and complicated nature of the adjudicatory process is clear. We may also simultaneously notice, that the power of "judicial review" vested in the High Courts under Articles 226 and 227 of the Constitution has not been expressly taken away by the NTT Act. During the course of hearing, we had expressed our opinion in respect of the power of "judicial review" vested in the High Courts under Articles 226 and 227 of the Constitution. In our view, the power stood denuded, on account of the fact that, Section 24 of the NTT Act vested with an aggrieved party, a remedy of appeal

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against an order passed by the NTT, directly to the Supreme Court. Section 24
aforementioned is being extracted hereunder:

"24. Appeal to Supreme Court.- Any person including any department of the Government aggrieved by any decision or order of the National Tax Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the National Tax Tribunal to him:

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within such time as it may deem fit."

In view of the aforesaid appellate remedy, from an order passed by the NTT directly to the Supreme Court, there would hardly be any occasion, to raise a challenge on a tax matter, arising out of the provisions of the Income Tax Act, the Customs Act and the Excise Act, before a jurisdictional High Court. Even though the learned Attorney General pointed out, that the power of "judicial review" under Articles 226 and 227 of the Constitution had not been taken away, yet he acknowledged, that there would be implicit limitations where such power would be exercisable. Therefore, all the more, the composition of the NTT would have to be on the same parameters as judges of the High Courts. Since the appointments of the Chairperson/Members of the NTT are not on the parameters expressed hereinabove, the same are unsustainable under the declared law. A perusal of Section 6 of the NTT Act leaves no room for any doubt, that none of the above parameters is satisfied insofar as the appointment of Chairperson and other Members of the NTT is concerned. In the above view of the matter, Section 6(2)(b) of the NTT Act is liable to be declared unconstitutional. We declare it to be so.

87. We would now deal with the submissions advanced by the learned counsel for the petitioners in respect of Section 7 of the NTT Act. It seems to us, that Section 7 has been styled in terms of the decision rendered by this Court in L. Chandra Kumar case (supra). Following the above judgment for determining the manner of selection of the Chairperson and Members of the NTT, is obviously a clear misunderstanding of the legal position declared by this Court. It should not have been forgotten, that under the provisions of the Administrative Tribunals Act, 1985, which came up for consideration in L. Chandra Kumar case (supra), the tribunals constituted under the said Act, are to act like courts of first instance. All decisions of the tribunal are amenable to challenge under Articles 226/227 of the Constitution before, a division bench of the jurisdictional High Court. In such circumstances it is apparent, that tribunals under the Administrative Tribunals Act, 1985, were subservient to the jurisdictional High Courts. The manner of selection, as suggested in L. Chandra Kumar case (supra) cannot therefore be adopted for a tribunal of the nature as the NTT. Herein the acknowledged position is, that the NTT has been constituted as a replacement of High Courts. The NTT is, therefore, in the real sense a tribunal substituting the High Courts. The manner of appointment of Chairperson/Members to the NTT will have to be, by the same procedure (or by a similar procedure), to that which is prevalent for appointment of judges of High Courts. Insofar as the instant aspect of the matter is concerned, the above proposition was declared by this Court in Union of India v. Madras Bar Association case (supra), wherein it was held, that the stature of the Members who would constitute the tribunal, would depend on the jurisdiction

which was being transferred to the tribunal. Accordingly, if the jurisdiction of the High Courts is being transferred to the NTT, the stature of the Members of the tribunal had to be akin to that of the judges of High Courts. So also the conditions of service of its Chairperson/Members. And the manner of their appointment and removal, including transfers. Including, the tenure of their appointments.

88. Section 7 cannot even otherwise, be considered to be constitutionally valid, since it includes in the process of selection and appointment of the Chairperson and Members of the NTT, Secretaries of Departments of the Central Government. In this behalf, it would also be pertinent to mention, that the interests of the Central Government would be represented on one side, in every litigation before the NTT. It is not possible to accept a party to a litigation, can participate in the selection process, whereby the Chairperson and Members of the adjudicatory body are selected. This would also be violative of the recognized constitutional convention recorded by Lord Diplock in Hinds case (supra), namely, that it would make a mockery of the constitution, if the legislature could transfer the jurisdiction previously exercisable by holders of judicial offices, to holders of a new court/tribunal (to which some different name was attached) and to provide that persons holding the new judicial offices, should not be appointed in the manner and on the terms prescribed for appointment of Members of the judicature. For all the reasons recorded hereinabove, we hereby declare Section 7 of the NTT Act, as unconstitutional.

89. Insofar as the validity of Section 8 of the NTT Act is concerned, it clearly emerges from a perusal thereof, that a Chairperson/Member is appointed to the NTT, in the first instance, for a duration of 5 years. Such Chairperson/Member is eligible for reappointment, for a further period of 5 years. We have no hesitation to accept the submissions advanced at the hands of the learned counsel for the petitioners, that a provision for reappointment would itself have the effect of undermining the independence of the Chairperson/Members of the NTT. Every Chairperson/Member appointed to the NTT, would be constrained to decide matters, in a manner that would ensure his reappointment in terms of Section 8 of the NTT Act. His decisions may or may not be based on his independent understanding. We are satisfied, that the above provision would undermine the independence and fairness of the Chairperson and Members of the NTT. Since the NTT has been vested with jurisdiction which earlier lay with the High Courts, in all matters of appointment, and extension of tenure, must be shielded from executive involvement. The reasons for our instant conclusions are exactly the same as have been expressed by us while dealing with Section 5 of the NTT Act. We therefore hold, that Section 8 of the NTT Act is unconstitutional.

90. Sections 5, 6, 7, 8 and 13 of the NTT Act have been held by us (to the extent indicated hereinabove) to be illegal and unconstitutional on the basis of the parameters laid down by decisions of constitutional benches of this Court and on the basis of recognized constitutional conventions referable to constitutions framed on the Westminster model. In the absence of the aforesaid provisions which have been held to be unconstitutional, the remaining provisions have been

rendered otiose and worthless, and as such, the provisions of the NTT Act, as a whole, are hereby set aside.

Conclusions:

91 (i) The Parliament has the power to enact legislation, and to vest adjudicatory functions, earlier vested in the High Court, with an alternative court/tribunal. Exercise of such power by the Parliament would not *per se* violate the “basic structure” of the Constitution.

(ii) Recognized constitutional conventions pertaining to the Westminster model, do not debar the legislating authority from enacting legislation to vest adjudicatory functions, earlier vested in a superior court, with an alternative court/tribunal. Exercise of such power by the Parliament would *per se* not violate any constitutional convention.

(iii) The “basic structure” of the Constitution will stand violated, if while enacting legislation pertaining to transfer of judicial power, Parliament does not ensure, that the newly created court/tribunal, conforms with the salient characteristics and standards, of the court sought to be substituted.

(iv) Constitutional conventions, pertaining to constitutions styled on the Westminster model, will also stand breached, if while enacting legislation, pertaining to transfer of judicial power, conventions and salient characteristics of the court sought to be replaced, are not incorporated in the court/tribunal sought to be created.

(v) The prayer made in Writ Petition (C) No.621 of 2007 is declined. Company Secretaries are held ineligible, for representing a party to an appeal before the NTT.

(vi) Examined on the touchstone of conclusions (iii) and (iv) above, Sections 5, 6, 7, 8 and 13 of the NTT Act (to the extent indicated hereinabove), are held to be unconstitutional. Since the aforesaid provisions, constitute the edifice of the NTT Act, and without these provisions the remaining provisions are rendered ineffective and inconsequential, the entire enactment is declared unconstitutional.

.....CJI.
(R.M. LODHA)

.....J.
(JAGDISH SINGH KHEHAR)

.....J.
(J. CHELAMESWAR)

.....J.
(A.K. SIKRI)

Note: The emphases supplied in all the quotations in the instant judgment, are ours.

New Delhi,
September 25, 2014.

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REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
TRANSFERRED CASE (CIVIL) No. 150 of 2006**

Madras Bar AssociationPetitioner

Versus

Union of India & Anr.Respondents

WITH

- CIVIL APPEAL NO. 3850 OF 2006
- CIVIL APPEAL NO. 3862 OF 2006
- CIVIL APPEAL NO. 3881 OF 2006
- CIVIL APPEAL NO. 3882 OF 2006
- CIVIL APPEAL No. 4051 OF 2006
- CIVIL APPEAL NO. 4052 OF 2006
- WRIT PETITION (C) NO.621 OF 2007
- TRANSFERRED CASE(C) NO.116 OF 2006
- TRANSFERRED CASE (C) NO. 117 OF 2006
- TRANSFERRED CASE (C) NO.118 OF 2006
- WRIT PETITION (C) NO. 697 OF 2007

J U D G M E N T

R.F.NARIMAN, J. (concurring in the result)

1. In these cases, essentially four contentions have been urged on behalf of the petitioners. The first contention is that the reason for setting up a National Tax Tribunal is non-existent as uniformity of decisions pertaining to tax laws is hardly a reason for interposing another tribunal between an appellate Tribunal and the Supreme Court, as High Court decisions are more or less uniform, since they follow the law laid down by each other. Since this is so, the Act must be struck down. The second contention is that it is

impermissible for the legislature to divest superior courts of record from the core judicial function of deciding substantial questions of law. The third contention is as regards the Constitutional validity of Article 323-B being violative of the separation of powers doctrine, the rule of law doctrine and judicial review. The fourth contention concerns itself with the nitty gritty of the Act, namely, that various sections undermine the independence of the adjudicatory process and cannot stand judicial scrutiny in their present form. Since I am accepting the second contention urged by the petitioners, this judgment will not deal with any of the other contentions.

2. *"It is emphatically the province and duty of the judicial department to say what the law is. Those who apply the rule to particular cases, must of necessity expound and interpret that rule."*

What was said over 200 years ago by Chief Justice John Marshall in the celebrated case of **Marbury v. Madison**, holds true even today in every great republican system of Government.

These words take their colour from Alexander Hamilton's famous federalist Paper No.78 which ran thus:

"Whoever attentively considers the different departments of power must perceive, that, in a government in which they are separated from each other, the judiciary, from the nature of its functions, will always be the least dangerous to the political rights of the Constitution; because it will be least in a capacity to annoy or injure them. The Executive not only dispenses the honors, but holds the sword of the community. The legislature

not only commands the purse, but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over either the sword or the purse; no direction either of the strength or of the wealth of the society; and can take no active resolution whatever. It may truly be said to have neither FORCE nor WILL, but merely judgment; and must ultimately depend upon the aid of the executive arm even for the efficacy of its judgments.

This simple view of the matter suggests several important consequences. It proves incontestably, that the judiciary is beyond comparison the weakest of the three departments of power, that it can never attack with success either of the other two; and that all possible care is requisite to enable it to defend itself against their attacks. It equally proves, that though individual oppression may now and then proceed from the courts of justice, the general liberty of the people can never be endangered from that quarter, I mean so long as the judiciary remains truly distinct from both the legislature and the Executive. For I agree, that "there is no liberty, if the power of judging be not separated from the legislative and executive powers." And it proves, in the last place, that as liberty can have nothing to fear from the judiciary alone, but would have everything to fear from its union with either of the other departments; that as all the effects of such a union must ensue from a dependence of the former on the latter, notwithstanding a nominal and apparent separation; that as, from the natural feebleness of the judiciary, it is in continual jeopardy of being overpowered, awed, or influenced by its co-ordinate branches; and that as nothing can contribute so much to its firmness and independence as permanency in office, this quality may therefore be justly regarded as an indispensable ingredient in its constitution, and, in a great measure, as the citadel of the public justice and the public security." (Emphasis supplied)

3. The precise question arising in these appeals concerns the constitutional validity of the National Tax Tribunals Act, 2005. The question raised on behalf of the petitioners is one of great public importance and has,

therefore, been placed before this Constitution Bench. Following upon the heels of the judgment in **Union of India v. R.Gandhi, (2010) 11 SCC 1**, these matters were delinked and ordered to be heard separately vide judgment and order dated 11th May 2010 reported in (2010) 11 SCC 67. The precise question formulated on behalf of the petitioners is whether a tribunal can substitute the High Court in its appellate jurisdiction, when it comes to deciding substantial questions of law.

4. Sections 15 and 24 of National Tax Tribunal Act state:

"15. (1) An appeal shall lie to the National Tax Tribunal from every order passed in appeal by the Income-tax Appellate Tribunal and the Customs, Excise and Service Tax appellate Tribunal, if the National Tax Tribunal is satisfied that the case involves a substantial question of law.

(2) The Chief Commissioner or the Commissioner of Income-tax or the Chief Commissioner or Commissioner of Customs and Central Excise, as the case may be, or an assessee aggrieved by any order passed by the Income-tax Appellate Tribunal or any person aggrieved by any order passed by the Customs, Excise and Service Tax Appellate Tribunal (hereinafter referred to as aggrieved person), may file an appeal to the National Tax Tribunal and such appeal under this sub-section shall-

(a) be filed within one hundred and twenty days from the date on which the order appealed against is received by the assessee or the aggrieved person or the Chief Commissioner or Commissioner, as the case may be;

(b) be in the form of a memorandum of appeal precisely stating therein the substantial question of law involved; and

(c) be accompanied by such fees as may be prescribed:

Provided that separate form of memorandum of appeal shall be filed for matters involving direct and indirect taxes:

Provided further that the National Tax Tribunal may entertain the appeal within sixty days after the expiry of the said period of

one hundred and twenty days, if it is satisfied that the appellant was prevented by sufficient cause from preferring an appeal in time.

(3) Where an appeal is admitted under sub-section (1), the National Tax Tribunal.-

(a) shall formulate the question of law for hearing the appeal; and

(b) may also determine any relevant issue in connection with the question so formulated-

(i) which has not been so determined by the Income-tax Appellate Tribunal or by the Customs, Excise and Service Tax Appellate Tribunal or

(ii) which has been wrongly determined by the income-tax Appellate Tribunal or by the Customs, Excise and Service Tax Appellate Tribunal, and shall decide the question of law so formulated and the other relevant issue so determined and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.

(4) Where in any appeal under this section, the decision of the income-tax Appellate Tribunal or the Customs, Excise and Service Tax Appellate Tribunal involves the payment of any tax or duties, the assessee or the aggrieved person, as the case may be, shall not be allowed to prefer such appeal unless he deposits at least twenty-five per cent of such tax or duty payable on the basis of the order appealed against:

Provided that where in a particular case the National Tax Tribunal is of the opinion that the deposit of tax or duty under this sub-section would cause undue hardship to such person, it may dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the interest of revenue.

24. Appeal to Supreme Court.- Any person including any department of the Government aggrieved by any decision or order of the National tax Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the National Tax Tribunal to him;

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the

appeal within the said period, allow it to be filed within such time as it may deem fit."

5. According to the petitioners, deciding substantial questions of law, even if they arise from specialized subject matters, would be a core function of the superior courts of India, and cannot be usurped by any other forum. To test the validity of this argument, we need to go to some constitutional fundamentals.

6. It has been recognized that unlike the U.S. Constitution, the Constitution of India does not have a rigid separation of powers. Despite that, the Constitution contains several separate chapters devoted to each of the three branches of Government. Chapter IV of part V deals exclusively with the Union judiciary and Chapter V of part VI deals with the High Courts in the States.

7. Article 50 of the Constitution states:

"50. Separation of judiciary from executive: The State shall take steps to separate the judiciary from the executive in the public services of the State."

8. Art.129 states that the Supreme Court shall be a court of record and shall have all the powers of such a court including the power to punish for contempt of itself. Art.131 vests the Supreme Court with original jurisdiction in disputes arising between the Government of India and the States. Art. 132

to 134A vest an appellate jurisdiction in civil and criminal cases from the High Courts. Art. 136 vests the Supreme Court with an extraordinary discretionary jurisdiction to grant special leave to appeal from any judgment, decree, determination, sentence or order in any cause or matter passed or made by any court or tribunal in the territory of India. Under Art. 137, the Supreme Court is given power to review any judgment or order made by it. By Article 141, the law declared by the Supreme Court shall be binding on all courts within the territory of India. And by virtue of Art. 145(3) substantial questions as to the interpretation of the Constitution of India are vested exclusively in a bench of at least 5 Hon'ble Judges.

9. Similarly, under Art. 214 High Courts for each State are established and under Art. 215 like the Supreme Court, High Courts shall be courts of record and shall have all the powers of such courts including the power to punish for contempt. Under Art. 225, the jurisdiction of, and the law administered in any existing High Courts, is preserved. Art. 226 vests the High Court with power to issue various writs for the protection of fundamental rights and for any other purpose to any person or authority. Under Art. 228 questions involving interpretation of the constitution are to be decided by the High Court alone when a court subordinate to it is seized of such question. Further, the importance of these provisions is further

highlighted by Art. 368 proviso which allows an amendment of all the aforesaid Articles only if such amendment is also ratified by the legislatures of not less than one half of the States.

10. The Code of Civil Procedure also contains provisions which vest the High Court with the power to decide certain questions of law under Section 113 and, when they relate to jurisdictional errors, Section 115.

11. Art. 227 is of ancient vintage. It has its origins in Section 107 of the Government of India Act 1915 which reads as follows:

"Each of the High Courts has superintendence over all courts for the time being subject to its appellate jurisdiction, and may do any of the following things, that is to say.-

- (a) Call for returns;*
- (b) Direct the transfer of any suit or appeal from any such court to any other court of equal or superior jurisdiction;*
- (c) Make and issue general rules and prescribe forms for regulating the practice and proceedings of such courts;*
- (d) Prescribe forms in which books, entries and accounts shall be kept by the officers of any such courts; and settle tables of fees to be allowed to the sheriff, attorneys and all clerks and officers of courts:*

Provided that such rules, forms and tables shall not be inconsistent with the provisions of law for the time being in force, and shall require the previous approval, in the case of the high court at Calcutia, of the Governor-General in Council, and in other cases of the local government."

12. Section 224 of the Government of India Act 1935 more or less adopted Section 107 of the Act of 1915 with a few changes.

"(1) Every High Court shall have superintendence over all courts in India for the time being subject to its appellate jurisdiction, and may do any of the following things, that is to say, -

- (a) call for returns;
- (b) make and issue general rules and prescribe forms for regulating the practice and proceedings of such courts;
- (c) prescribe forms in which books, entries and accounts shall be kept by the officers of any such courts; and
- (d) settle tables of fees to be allowed to the sheriff, attorneys, and all clerks and officers of courts;

Provided that such rules, forms and tables shall not be inconsistent with the provision of any law for the time being in force, and shall require the previous approval of the Governor.

(2) Nothing in this section shall be construed as giving to a High Court any jurisdiction to question any judgment of any inferior Court which is not otherwise subject to appeal or revision."

Article 227 of the Constitution states:

227. Power of superintendence over all courts by the High Court

(1) Every High Court shall have superintendence over all courts and tribunals throughout the territories in relation to which it exercises jurisdiction

(2) Without prejudice to the generality of the foregoing provisions, the High Court may

- (a) call for returns from such courts;
- (b) make and issue general rules and prescribe forms for regulating the practice and proceedings of such courts; and
- (c) prescribe forms in which books, entries and accounts shall be kept by the officers of any such courts

(3) The High Court may also settle tables of fees to be allowed to the sheriff and all clerks and officers of such courts and to attorneys, advocates and pleaders practising therein:

Provided that any rules made, forms prescribed or tables settled under clause (2) or clause (3) shall not be inconsistent with the provision of any law for the time being in force, and shall require the previous approval of the Governor

(4) Nothing in this article shall be deemed to confer on a High Court powers of superintendence over any court or tribunal constituted by or under any law relating to the Armed Forces."

13. It will be noticed that Art. 227 adds the words "and tribunals" and contains no requirement that the superintendence over subordinate courts and tribunals should be subject to its appellate jurisdiction.

14. In **Waryam Singh v. Amarnath, 1954 SCR 565**, Das, J. stated the High Courts power under Art. 227:

"This power of superintendence conferred by article 227 is, as pointed out by Harries C.J., in Dalmia Jain Airways Ltd. v. Sukumar Mukherjee, to be exercised most sparingly and only in appropriate cases in order to keep the Subordinate Courts within the bounds of their authority and not for correcting mere errors. As rightly pointed out by the Judicial Commissioner in the case before us the lower courts in refusing to make an order for ejectment acted arbitrarily. The lower courts realized the legal position but in effect declined to do what was by section 13(2) (i) incumbent on them to do and thereby refused to exercise jurisdiction vested in them by law. It was, therefore, a case which called for interference by the court of the Judicial Commissioner and it acted quite properly in doing so." (at 571)

15. It is axiomatic that the superintending power of the High Courts under Art. 227 is to keep courts and tribunals within the bounds of the law. Hence, errors of law that are apparent on the face of the record are liable to be corrected. In correcting such errors, the High Court has necessarily to state what the law is by deciding questions of law, which bind subordinate courts and tribunals in future cases. Despite the fact that there is no equivalent of

Art. 141 so far as High Courts are concerned, in **East India Commercial Co. Ltd. Calcutta v. The Collector of Customs, (1963) 3 SCR 338**, Subba Rao, J. stated:

"This raises the question whether an administrative tribunal can ignore the law declared by the highest court in the State and initiate proceedings in direct violation of the law so declared. Under Art. 215, every High Court shall be a court of record including the power to punish for contempt of itself. Under Art. 226, it has a plenary power to issue orders or writs for the enforcement of the fundamental rights and for any other purpose to any person or authority, including in appropriate cases any Government, within its territorial jurisdiction. Under Art. 227 it has jurisdiction over all courts and tribunals throughout the territories in relation to which it exercise jurisdiction. It would be anomalous to suggest that a tribunal over which the High Court has superintendant can ignore the law declared by that court and start proceedings in direct violation of it. If a tribunal can do so, all the sub-ordinate courts can equally do so, for there is no specific provision, just like in the case of Supreme Court, making the law declared by the High Court binding on subordinate courts. It is implicit in the power of supervision conferred on a superior tribunal that all the tribunals subject to its supervision should conform to the law laid down by it. Such obedience would also be conducive to their smooth working: otherwise there would be confusion in the administration of law and respect for law would irretrievably suffer. We, therefore, hold that the law declared by the highest court in the State is binding on authorities or tribunals under its superintendence, and that they cannot ignore it either in initiating a proceeding or deciding on the rights involved in such a proceeding." (at 366)

16. The aforesaid analysis shows that the decision by superior courts of record of questions of law and the binding effect of such decisions are implicit in the constitutional scheme of things. It is obvious that it is

emphatically the province of the superior judiciary to answer substantial questions of law not only for the case at hand but also in order to guide subordinate courts and tribunals in future. That this is the core of the judicial function as outlined by the constitutional provisions set out above.

17. As to what is a substantial question of law has been decided way back in **Sir Chunilal V. Mehta v. The Century Spinning and Manufacturing Co. Ltd.**, (1962) Suppl. 3 SCR 549 at pages 557-558 thus:

"....The proper test for determining whether a question of law raised in the case is substantial would, in our opinion, be whether it is of general public importance or whether it directly and substantially affects the rights of the parties and if so whether it is either an open question in the sense that it is not finally settled by this Court or by the Privy Council or by the Federal Court or is not free from difficulty or calls for discussion of alternative views. If the question is settled by the highest Court or the general principles to be applied in determining the question are well settled and there is a mere question of applying those principles or that the plea raised is palpably absurd the question would not be a substantial question of law."

18. It is clear, therefore, that the decision of a substantial question of law is a matter of great moment. It must be a question of law which is of general public importance or is not free from difficulty and/or calls for a discussion of alternative views. It is clear, therefore, that a judicially trained mind with the experience of deciding questions of law is a *sine qua non* in order that such questions be decided correctly. Interestingly enough, our attention has

been drawn to various Acts where appeals are on questions of law/substantial questions of law.

"i) The Electricity Act, 2003

125. Appeal to Supreme Court - Any person aggrieved by any decision or order of the Appellate Tribunal, may, file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him, on any one or more of the grounds specified in Section 100 of the Code of Civil Procedure, 1908 (5 of 1908):

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

(ii) The National Green Tribunal Act, 2010

Section 22. Appeal to Supreme Court - Any person aggrieved by any award, decision or order of the tribunal, may, file an appeal to the Supreme Court, within ninety days from the date of communication of the award, decision or order of Tribunal, to him, on any one or more of the grounds specified in Section 100 of the Code of Civil Procedure, 1908 (5 of 1908) .

Provided that the Supreme Court, entertain any appeal after the expiry of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal.

(iii) The Telecom Regulatory Authority of India Act, 1997

Section 18. Appeal to Supreme Court - (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or in any other law, an appeal shall lie against any order, not being an interlocutory order, of the Appellate Tribunal to the Supreme Court on one or more of the grounds specified in section 100 of that code.

(2) No appeal shall lie against any decision or order made by the Appellate Tribunal with the consent of the parties.

(3) Every appeal under this section shall be preferred within a period of ninety days from the date of the decision or order appealed against:

Provided that the Supreme Court may entertain the appeal after the expiry of the said period of ninety days, if it is satisfied that

the appellant was prevented by sufficient cause from preferring the appeal in time.

(iv) The Securities and Exchange Board of India Act, 1992

Section 15Z. Appeal to Supreme Court. - Any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Securities Appellate Tribunal to him on any question of law arising out to such order:

Provided that the Supreme Court may, if it is satisfied that the applicant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

(v) Companies Act, 1956

Section 10GF. Appeal to Supreme Court. - Any person aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him on any question of law arising out of such decision or order:

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days."

19. Whether one looks at the old Section 100 of the Code of Civil Procedure or Section 100 of the Code of Civil Procedure as substituted in 1976, the result is that the superior courts alone are vested with the power to decide questions of law.

Section 100 (Before amendment)

"100(1). Save where otherwise expressly provided in the body of this Code or by any other law for the time being in force, an appeal shall lie to the High Court from every decree passed in appeal by any court subordinate to a High Court on any of the following grounds, namely:

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(a) the decision being contrary to law or to some usage having the force of law;

(b) the decision having failed to determine some material issue of law or usage having the force of law;

(c) a substantial error or defect in the procedure provided by this Code or by any other law for the time being in force, which may possibly have produced error or defect in the decision of the case upon the merits.

(2) An appeal may lie under this section from an appellate decree passed *ex-parte*.

Section 100 (After amendment)

100. *Second appeal*

(1) Save as otherwise expressly provided in the body of this Code or by any other law for the time being in force, an appeal shall lie to the High Court from every decree passed in appeal by any Court subordinate to the High Court, if the High Court is satisfied that the case involves a substantial question of law.

(2) An appeal may lie under this section from an appellate decree passed *exparte*.

(3) In an appeal under this section, the memorandum of appeal shall precisely state the substantial question of law involved in the appeal.

(4) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question.

(5) The appeal shall be heard on the question so formulated and the respondent shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question : Provided that nothing in this sub-section shall be deemed to take away or abridge the power of the Court to hear, for reasons to be recorded, the appeal on any other substantial question of law, not formulated by it, if it is satisfied that the case involves such question."

20. It is obvious that hitherto Parliament has entrusted a superior court of record with decisions on questions of law/substantial questions of law. Also, as has been pointed in Khehar, J.'s judgment traditionally, such questions

were always decided by the High Courts in the country. The present Act is a departure made for the first time by Parliament.

21. In this regard, the respondents argued that since taxation is a specialised subject and there is a complete code laid down for deciding this subject, the present impugned Act being part of that code is constitutionally valid. For this purpose, the respondents have relied on a passage from the nine Judge Bench in **Mafatlal Industries v. Union of India**, (1997) 5 SCC 536 at para 77.

22. This Court in **Mafatlal's** case was faced with whether **Kanhaiya Lal Mukundlal Saraf's** case, 1959 SCR 1350, has been correctly decided in so far as it said that where taxes are paid under a mistake of law, the person paying is entitled to recover from the State such taxes on establishing the mistake and that this consequence flows from Section 72 of the Contract Act. In answering this question, this Court made an observation that so long as an appeal is provided to the Supreme Court from the orders of the appellate tribunal, the Act would be constitutionally valid. This Court while deciding whether **Saraf's** case was correctly decided or not, was not faced with the present question at all. Further, at the time that **Mafatlal's** case was decided, the scheme contained in the Central Excise and Salt Act, 1944, required the High Court on a statement of case made to it to decide a question of law

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arising out of the order of the appellate tribunal, after which the High Court is to deliver its judgment and send it back to the appellate tribunal which will then make such orders as are necessary to dispose of the case in conformity with such judgment. The then statutory scheme of the Central Excise and Salt Act, 1944 is contained in Sections 35G to 35L.

"35G Statement of case to High Court.

(1) The Collector of Central Excise or the other party may, within sixty days of the date upon which he is served with notice of an order under section 35C (not being an order relating, among other things, to the determination of any question having a relation to the rate of duty of excise or to the value of goods for purposes of assessment), by application in the prescribed form, accompanied, where the application is made by the other party, by a fee of two hundred rupees, require the Appellate Tribunal to refer to the High Court any question of law arising out of such order and, subject to the other provisions contained in this section, the Appellate Tribunal shall, within one hundred and twenty days of the receipt of such application, draw up a statement of the case and refer it to the High Court:

Provided that the Appellate Tribunal may, if it is satisfied that the applicant was prevented by sufficient cause from presenting the application within the period hereinbefore specified, allow it to be presented within a further period not exceeding thirty days.

(2) On receipt of notice that an application has been made under sub-section (1), the person against whom such application has been made, may, notwithstanding that he may not have filed such an application, file, within forty-five days of the receipt of the notice, a memorandum of cross-objections verified in the prescribed manner against any part of the order in relation to which an application for reference has been made and such memorandum shall be disposed of by the Appellate Tribunal as if it were an application presented within the time specified in sub-section (1).

(3) If, on an application made under sub-section (1), the Appellate Tribunal refuses to state the case on the ground that no question of law arises, the Collectar of Central Excise, or, as the case may be, the other party may, within six months from the date on which he is served with notice of such refusal, apply to the High Court and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case and to refer it, and on receipt of any such requisition, the Appellate Tribunal shall state the case and refer it accordingly.

(4) Where in the exercise of its powers under sub-section (3), the Appellate Tribunal refuses to state a case which it has been required by an applicant to state, the applicant may, within thirty days from the date on which he receives notice of such refusal, withdraw his application and, if he does so, the fee, if any, paid by him shall be refunded.

35H. Statement of case to Supreme court in certain cases. If, on an application made under section 35G, the Appellate Tribunal is of opinion that, on account of conflict in the decisions of High Courts in respect of any particular question of law, it is expedient that a reference should be made direct to the Supreme Court, the Appellate Tribunal may draw up a statement of the case and refer it through the President direct to the Supreme Court.

35I. Power of High Court or Supreme Court to require statement to be amended. If the High Court or the Supreme Court is not satisfied that the statements in a case referred to it are sufficient to enable it to determine the questions raised thereby, the Court may refer the case back to the Appellate Tribunal, for the purpose of making such additions thereto or alterations therein as it may direct in that behalf.

35J. Case before High Court to be heard by not less than two Judges.

(1) When any case has been referred to the High Court under section 35G, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority, if any, of such Judges.

(2) Where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be

heard upon that point only by one or more of the other Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case including those who first heard it.

35K. Decision of High Court or Supreme Court on the case stated.

(1) The High Court or the Supreme Court hearing any such case shall decide the questions of law raised therein and shall deliver its judgment thereon containing the grounds on which such decision is founded and a copy of the judgment shall be sent under the seal of the Court and the signature of the Registrar to the Appellate Tribunal which shall pass such orders as are necessary to dispose of the case in conformity with such judgment.

(2) The costs of any reference to the High Court or the Supreme Court which shall not include the fee for making the reference shall be in the discretion of the Court.

35L. Appeal to Supreme Court. An appeal shall lie to the Supreme Court from-

(a) any judgment of the High Court delivered on a reference made under section 35G in any case which, on its own motion or on an oral application made by or on behalf of the party aggrieved, immediately after the passing of the judgment, the High Court certifies to be a fit one for appeal to the Supreme Court; or

(b) any order passed by the Appellate Tribunal relating, among other things, to the determination of any question having a relation to the rate of duty of excise or to the value of goods for purposes of assessment."

23. It is obvious that the decision of the nine Judge Bench was only referring to decisions of the appellate tribunal falling under sub-clause (b) of Section 35L relating to orders passed by the Appellate Tribunal on questions having a relation to the rate of duty of excise or value of goods for the purpose of assessment and not to appeals from judgments of the High Court

delivered on a reference under Section 35G after the High Court had decided on a question of law. It is clear, therefore, that the context of Mafatlal's decision was completely different and the decision did not advert to Sections 35G to 35L as they then stood.

24. Art. 323B was part of the constitution 42nd Amendment Act which was, as is well known, an amendment which was rushed through during the 1975 emergency. Many of its features were undone by the constitution 44th Amendment Act passed a couple of years later. One of the interesting features that was undone was the amendment to Art. 227.

The 42nd Amendment substituted the following clause for clause (1) of Art. 227:

"(1) Every High Court shall have superintendence over all courts subject to its appellate jurisdiction."

25. A cursory reading of the substituted clause shows that the old section 107 of the Government of India Act 1915 was brought back: Tribunals were no longer subject to the High Courts' superintendence, and subordinate courts were only subject to the High Courts' superintendence, if they were also subject to its appellate jurisdiction. As stated above, the 44th Amendment undid this and restored sub-clause (1) to its original position.

26. However, Art. 323B continues as part of the constitution. The real reason for the insertion of the said article was the same as the amendment

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made to Art. 227 – the removal of the High Courts’ supervisory jurisdiction over tribunals. **L. Chandra Kumar v. Union of India (1997) 3 SCC 261**, undid the very *raison d’etre* of Article 323B by restoring the supervisory jurisdiction of the High Courts so that a reference to Article 323B would no longer be necessary as the legislative competence to make a law relating to tribunals would in any case be traceable to Entries 77 to 79, 95 of List I, Entry 65 of List II and Entry 11A and 46 of List III of the 7th Schedule to the Constitution of India.

27. In a significant statement of the law, **Chandra Kumar’s** judgment, in upholding the vesting of the High Court’s original jurisdiction in a Central Administrative Tribunal, stated thus:

“The legitimacy of the power of Courts within constitutional democracies to review legislative action has been questioned since the time it was first conceived. The Constitution of India, being alive to such criticism, has, while conferring such power upon the higher judiciary, incorporated important safeguards. An analysis of the manner in which the Framers of our Constitution incorporated provisions relating to the judiciary would indicate that they were very greatly concerned with securing the independence of the judiciary. These attempts were directed at ensuring that the judiciary would be capable of effectively discharging its wide powers of judicial review. While the Constitution confers the power to strike down laws upon the High Courts and the Supreme Court, it also contains elaborate provisions dealing with the tenure, salaries, allowances, retirement age of Judges as well as the mechanism for selecting Judges to the superior courts. The inclusion of such elaborate provisions appears to have been occasioned by

the belief that, armed by such provisions, the superior courts would be insulated from any executive or legislative attempts to interfere with the making of their decisions. The Judges of the superior courts have been entrusted with the task of upholding the Constitution and to this end, have been conferred the power to interpret it. It is they who have to ensure that the balance of power envisaged by the Constitution is maintained and that the legislature and the executive do not, in the discharge of their functions, transgress constitutional limitations. It is equally their duty to oversee that the judicial decisions rendered by those who man the subordinate courts and tribunals do not fall foul of strict standards of legal correctness and judicial independence. The constitutional safeguards which ensure the independence of the Judges of the superior judiciary, are not available to the Judges of the subordinate judiciary or to those who man Tribunals created by ordinary legislations. Consequently, Judges of the latter category can never be considered full and effective substitutes for the superior judiciary in discharging the function of constitutional interpretation. We, therefore, hold that the power of judicial review over legislative action vested in the High Courts under Articles 226 and in this Court under Article 32 of the Constitution is an integral and essential feature of the Constitution, constituting part of its basic structure. Ordinarily, therefore, the power of High Courts and the Supreme Court to test the constitutional validity of legislations can never be ousted or excluded. (See Para 78)

We also hold that the power vested in the High Courts to exercise judicial superintendence over the decisions of all Courts and Tribunals within their respective jurisdictions is also part of the basic structure of the Constitution. This is because a situation where the High Courts are divested of all other judicial functions apart from that of constitutional interpretation, is equally to be avoided. (See Para 79)

Before moving on to other aspects, we may summarise our conclusions on the jurisdictional powers of these Tribunals. The Tribunals are competent to hear matters where the vires of statutory provisions are questioned. However, in discharging

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this duty, they cannot act as substitutes for the High Courts and the Supreme Court which have, under our constitutional set-up, been specifically entrusted with such an obligation. Their function in this respect is only supplementary and all such decisions of the Tribunals will be subject to scrutiny before a Division Bench of the respective High Courts."(see Para 93)

28. The stage is now set for the Attorney General's reliance on **Union of India v. R. Gandhi (2010) 11 SCC 1.**

Various provisions of the Companies Act, 1956 were under challenge before the Constitution Bench. The effect of these provisions was to replace the Company Law Board by a Tribunal vested with original jurisdiction, and to replace the High Court in First Appeal with an appellate tribunal. After noticing the difference between courts and tribunals in paras 38 and 45, the court referred to the independence of the judiciary and to the separation of powers doctrine, as understood in the Indian Constitutional Context in paras 46 to 57. In a significant statement of the law, the Constitution Bench said:

"The Constitution contemplates judicial power being exercised by both courts and tribunals. Except the powers and jurisdiction vested in superior courts by the Constitution, powers and jurisdiction of courts are controlled and regulated by legislative enactments. The High Courts are vested with the jurisdiction to entertain and hear appeals, revisions and references in pursuance of provisions contained in several specific legislative enactments. If jurisdiction of High Courts can be created by providing for appeals, revisions and references to be heard by the High Courts, jurisdiction can also be taken away by deleting the provisions for appeals, revisions or references. It also follows that the legislature has the power to create Tribunals with reference to specific enactments and

confer jurisdiction on them to decide disputes in regard to matters arising from such special enactments. Therefore it cannot be said that legislature has no power to transfer judicial functions traditionally performed by courts to Tribunals." (para 87)

In another significant paragraph, the Constitution bench stated: *"But when we say that the legislature has the competence to make laws, providing which disputes will be decided by courts, and which disputes will be decided by tribunals, it is subject to constitutional limitations, without encroaching upon the independence of the judiciary and keeping in view the principles of the rule of law and separation of powers. If tribunals are to be vested with judicial power hitherto vested in or exercised by courts, such tribunals should possess the independence, security and capacity associated with courts. If the tribunals are intended to serve an area which requires specialized knowledge or expertise, no doubt there can be technical members in addition to judicial members. Where however jurisdiction to try certain category of cases are transferred from courts to tribunals only to expedite the hearing and disposal or relieve from the rigours of the Evidence Act and procedural laws, there is obviously no need to have any non-judicial technical member. In respect of such tribunals, only members of the judiciary should be the Presiding Officers/Members. Typical examples of such special tribunals are Rent Tribunals, Motor Accidents Claims Tribunals and Special Courts under several enactments. Therefore, when transferring the jurisdiction exercised by courts to tribunals, which does not involve any specialized knowledge or expertise in any field and expediting the disposal and relaxing the procedure is the only object, a provision for technical members in addition to or in substitution of judicial members would clearly be a case of dilution of and encroachment upon the independence of the judiciary and the rule of law and would be unconstitutional."* (at para 90)

The Bench then went on to hold that only certain areas of litigation can be transferred from courts to tribunals. (see para 92)

In paragraphs 101 and 102 the law is stated thus:

"Independent judicial tribunals for determination of the rights of citizens, and for adjudication of the disputes and complaints of the citizens, is a necessary concomitant of the rule of law. The rule of law has several facets, one of which is that disputes of citizens will be decided by Judges who are independent and impartial; and that disputes as to legality of acts of the Government will be decided by Judges who are independent of the executive. Another facet of the rule of law is equality before law. The essence of the equality is that it must be capable of being enforced and adjudicated by an independent judicial forum. Judicial independence and separation of judicial power from the executive are part of the common law traditions implicit in a Constitution like ours which is based on the Westminster model.

The fundamental right to equality before law and equal protection of laws guaranteed by Art.14 of the Constitution, clearly includes a right to have the person's rights, adjudicated by a forum which exercises judicial power in an impartial and independent manner, consistent with the recognized principles of adjudication. Therefore wherever access to courts to enforce such rights is sought to be abridged, altered, modified or substituted by directing him to approach an alternative forum, such legislative act is open to challenge if it violates the right to adjudication by an independent forum. Therefore, though the challenge by MBA is on the ground of violation of principles forming part of the basic structure, they are relatable to one of more of the express provisions of the Constitution which gave rise to such principles. Though the validity of the provisions of a legislative act cannot be challenged on the ground it violates the basic structure of the Constitution, it can be challenged as violative of constitutional provisions which enshrine the principles of the rule of law, separation of powers and independence of the judiciary."

29. **Gandhi's** case dealt with one specialized tribunal replacing another specialized tribunal (The Company Law Board) at the original stage. It is significant to note that the first appeal provided to the appellate tribunal is not

restricted only to questions of law. It is a full first appeal as understood in the section 96 CPC sense – (See section 10FQ of the Companies Act). A further appeal is provided to the Supreme Court under Section 10GF only on questions of law. When **Gandhi's** case states in paragraph 87 that the jurisdiction of the High Courts can be taken away by deleting provisions for appeals, revisions or references, and that these functions traditionally performed by courts can be transferred to tribunals, the court was only dealing with the situation of the High Court being supplanted at the original and first appellate stage so far as the company 'jurisdiction' is concerned in a situation where questions of fact have to be determined afresh at the first appellate stage as well. These observations obviously cannot be logically extended to cover a situation like the present where the High Court is being supplanted by a tribunal which would be deciding only substantial questions of law.

30. The present case differs from Gandhi's case in a very fundamental manner. The National Tax Tribunal which replaces the High Courts in the country replaces them only to decide substantial questions of law which relate to taxation. In fact, a Direct Tax Laws Committee delivered a report in 1978 called the Choksi Committee after its Chairman. This report had in fact recommended that a Central Tax Court should be set up. The report stated:

"II-6.10. In paragraph 11.30 of our Interim Report, we had expressed the view that the Government should consider the establishment of a Central Tax Court to deal with all matters arising under the Income-tax Act and other Central Tax Laws, and had left the matter for consideration in greater detail in our Final Report. We have since examined the matter from all aspects.

II-6.11. The problem of tax litigation in India has assumed staggering proportions in recent years. From the statistics supplied to us, it is seen that, as on 30th June, 1977, there were as many as 10,500 references under the direct tax laws pending with the various High Courts, the largest pendency being in Bombay, Calcutta, Madras, Karnataka and Madhya Pradesh. The number of references made to the High Courts in India under all the tax laws is of the order of about 3,300 in a year, whereas the annual disposals of such references by all the High Courts put together amount to about 600 in a year. In addition to these references, about 750 writ petitions on tax matters are also filed before the High Courts every year. Under the existing practice of each High Court having only a single bench for dealing with the tax matters and that too not all round the year, there is obviously no likelihood of the problem being brought down to manageable proportions at any time in the future, but, on the other hand, it is likely to become worse. Even writ petitions seeking urgent remedy against executive action take several years for disposal. The Wanchoo Committee, which had considered this problem, recommended the creation of permanent Tax Benches in High Courts and appointment of retired Judges to such Benches under Article 224A of the Constitution to clear the backlog. Although more than 6 years have passed since that recommendation was made, the position of arrears in tax matters has shown no improvement but, on the other hand, it has worsened. In this connection, it would be worth noting that the Wanchoo Committee considered an alternative course for dealing with this problem through the establishment of a Tax Court but they desisted from making any recommendation to that effect as, in their opinion, that would involve extensive amendments to law and procedures. We have directed our attention to this matter in the context of the mounting arrears of tax cases before the courts.

II-6.12. The pendency of cases before the courts in tax matters has also a snow-balling effect all along the line of appellate hierarchies inasmuch as proceedings in hundreds of cases are initiated and kept pending, awaiting the law to be finally settled by the Supreme Court after prolonged litigation in some other cases. This obviously adds considerably to the load of infructuous work in the Department and clutters up the files of appellate authorities at all levels, with adverse consequences on their efficiency. According to the figures supplied to us, out of tax arrears amounting to Rs.986.53 crores as on 31st December, 1977, Rs.293.26 crores (30 per cent) were disputed in proceedings before various appellate authorities and courts.

II-6.13. Apart from the delays which are inherent in the existing system, the jurisdiction pattern of the High Courts also seems to contribute to the generation of avoidable work. At present, High Courts are obliged to hear references on matters falling within their jurisdiction notwithstanding that references on identical points have been decided by other High Courts. The decision of one High Court is not binding on another High Court even on identical issues. Finality is reached only when the Supreme Court decides the issue which may take 10 to 15 years.

II-6.14. Tax litigation is currently handled by different Benches of the High Courts constituted on an ad hoc basis. The absence of permanent benches also accounts for the delay in the disposal of the tax cases by High Courts.

II-6.15. The answer to these problems, in our view, is the establishment of a Central Tax Court with all-India jurisdiction to deal with such litigation to the exclusion of High Courts. Such a step will have several advantages. In the first place, it would lead to uniformity in decisions and bring a measure of certainty in tax matters. References involving common issues can be conveniently consolidated and disposed of together, thereby accelerating the pace of disposal. Better co-ordination among the benches would make for speedy disposal of cases and reduce the scope for proliferation of appeals on the same issues before the lower appellate authorities, which in its turn will reduce the volume of litigation going up before the Tax Court as well. Once a Central Tax Court is established, the judges appointed to the

Benches thereof will develop the requisite expertise by continuous working in this field. This would facilitate quicker disposal of tax matters and would also help in reducing litigation by ensuring uniformity in decisions.

II-6.16. In the light of the foregoing discussions, we recommend that the Government should take steps for this early establishment of a Central Tax Court with all-India jurisdiction to deal exclusively with litigation under the direct Tax laws in the first instance, with provisions for extending its jurisdiction to cover all other Central Tax laws, if considered necessary in the future. We suggest that such a court should be constituted under a separate statute. As the implementation of this recommendation may necessitate amendment of the constitution, which is likely to take time, we further recommend that Government may in the meanwhile, consider the desirability of constituting special Tax benches in the High Courts to deal with the large number of Tax cases by continuously sitting throughout the year. The Judges to be appointed to these special benches may be selected from among those, who have special knowledge and experience in dealing with matters relating to direct Tax laws so that, when the Central Tax Court is established at a later date, these judges could be transferred to that Court.

II-6.17. The Central Tax Court should have Benches located at important centres. To start with it may have Benches at the following seven places, viz., Ahmedabad, Bombay, Calcutta, Delhi, Kanpur, Madras and Nagpur. Each Bench should consist of two judges. Highly qualified persons should be appointed as judges of the Central Tax Court, from among persons who are High Court judges or who are eligible to be appointed as High Court judges. In the matter of conditions of service, scales or pay and other privileges, judges of the Central Tax Court should be on par with the High Court judges.

II-6.18. The Supreme Court and, following it, the High Courts have held that the Tribunal and the tax authorities, being creatures of the Act cannot pronounce on the constitutional validity or vires of any provision of the Act; that, therefore, such a question cannot arise out of the order of the Tribunal and cannot be made the subject matter of a reference to the

High Court and a subsequent appeal to the Supreme court; and that such a question of validity or vires can be raised only in a suit or a writ petition. While an income-tax authority or the Tribunal cannot decide upon the validity or vires of the other provisions of the law. We recommend that the powers of the Central Tax Court in this regard should be clarified in the law itself by specifically giving it the right to go into questions of validity of the provisions of the Tax Laws or of the rules framed thereunder.

II-6.19. Another important matter, in which we consider that the present position needs improvement, is the nature of the Court's jurisdiction in tax matters. Under the present law, the High Court's jurisdiction in such matters is merely advisory on questions of law. For this purpose, the Appellate Tribunal has to draw up a statement of the case and refer the same to the High Court for its opinion. After the High Court delivers its judgment on the reference, the matter goes back to the Tribunal, which has then to pass such orders as are necessary to dispose of the case conformably to such judgment. Under this procedure, the aggrieved party before the Tribunal has to file an application seeking a reference to the High Court on specified questions of law arising out of the Tribunal's order. The hearing of such application by the Tribunal, followed by the drawing up of the statement of the case to the High Court, delays the consideration of the issue by the High Court for a considerable time. Where the Tribunal refuses to state the case as sought by the applicant, then again, the law provides for a direct approach to the High Court for issue of directions to the Appellate Tribunal to state the case to the High Court on the relevant question of law. This process also delays the consideration of the matter by the High court for quite some time. In addition to these types of delay, there will be further delays after the High Court decides the matter, as the Tribunal has to pass consequential orders disposing of the case, before the relief, if any due, can be granted to the assessee.

II-6.20. In our view, the disposal of tax litigation can be speeded up considerably by vesting jurisdiction in the proposed Central Tax Court to hear appeals against the orders of the Tribunal on questions of law arising out of such orders. We, accordingly, recommend that the jurisdiction of the Central

Tax Court should be Appellate and not advisory. We also recommend that appeals before the Central Tax Court should be heard by a Bench of two judges. The judgment of a division Bench should be binding on other division Benches of the Tax Court unless it is contrary to a decision of the Supreme Court or of a full Bench of the Tax Court.

II-6.21. In the matter of appeals before the Central Tax Court, it would be necessary to make a special provision for enabling Chartered Accountants to appear on behalf of appellants or respondents to argue the appeals before it. Legal practitioners would, in any event, be entitled to appear before the Central Tax Court. In addition, any other person, who may be permitted by the Court to appear before it, may also represent the appellant or the respondent in tax matters.

II-6.22. Our recommendation for setting up of a Central Tax Court may not be interpreted to be only a modified version of the concept of administrative and other tribunals authorized to be set up for various purposes under the amendments effected by the 42nd Amendment of the Constitution. The Central Tax Court, which we have in view, will be a special kind of High court with functional jurisdiction over tax matters and enjoying judicial independence in the same manner as the High Courts. The controversy generated by the 42nd Amendment to the Constitution should not, therefore, be held to militate against the proposal for the establishment of a Central Tax Court to exercise the functions of a High Court in tax matters."

This recommendation was not acceded to by Parliament.

31. It is obvious, that substantial questions of law which relate to taxation would also involve many areas of civil and criminal law, for example Hindu Joint Family Law, partnership, sale of goods, contracts, Mohammedan Law, Company Law, Law relating to Trusts and Societies, Transfer of Property, Law relating to Intellectual Property, Interpretation of Statutes and sections dealing with prosecution for offences. It is therefore not correct to say that

taxation, being a specialized subject, can be dealt with by a tribunal. All substantial questions of law have under our constitutional scheme to be decided by the superior courts and the superior courts alone. Indeed, one of the objects for enacting the National Tax Tribunals Act, as stated by the Minister on the floor of the House, is that the National Tax Tribunal can lay down the law for the whole of India which then would bind all other authorities and tribunals. This is a direct encroachment on the High Courts' power under Art. 227 to decide substantial questions of law which would bind all tribunals vide East India Commercial Co. case, supra.

32. In fact, it is a little surprising that the National Tax Tribunal is interposed between the appellate Tribunal and the Supreme Court for the very good reason that ultimately it will only be the Supreme Court that will declare the law to be followed in future. As the appellate tribunal is already a second appellate court, it would be wholly unnecessary to have a National Tax Tribunal decide substantial questions of law in case of conflicting decisions of High Courts and Appellate Tribunals as these would ultimately be decided by the Supreme Court itself, which decision would under Article 141 be binding on all tax authorities and tribunals. Secondly, in all tax matters, the State is invariably a party and the High Court is ideally situated to decide substantial questions of law which arise between the State and

private persons, being constitutionally completely independent of executive control. The same cannot be said of tribunals which, as L. Chandra Kumar states, will have to be under a nodal ministry as tribunals are not under the supervisory jurisdiction of the High Courts.

33. Indeed, other constitutions which are based on the Westminster model, like the British North America Act which governs Canada have held likewise. In **Attorney General for Quebec v. Farrah (1978)**, Vol.86 DLR [3d] 161 a transport tribunal was given appellate jurisdiction over the Quebec Transport Commission. The tribunal performed no function other than deciding questions of law. Since this function was ultimately performed only by superior courts, the impugned section was held to be unconstitutional. This judgment was followed in **Re. Residential Tenancies Act**, 123 DLR (3d) 554. This judgment went further, and struck down the Residential Tenancy Act which established a tribunal to require landlords and tenants to comply with the obligations imposed under the Act. The court held:

"The Court of Appeal delivered a careful and scholarly unanimous judgment in which each of these questions was answered in the negative. The Court concluded it was not within the legislative authority of Ontario to empower the Residential Tenancy Commission to make eviction orders and compliance orders as provided in the Residential Tenancies Act, 1979. The importance of the issue is reflected in the fact that five Judges of the Court, including the Chief Justice and Associate Chief Justice, sat on the appeal."

It then went on to enunciate a three steps test with which we are not directly concerned. The Court finally concluded:

"Implicit throughout the argument advanced on behalf of the Attorney-General of Ontario is the assumption that the Court system is too cumbersome, too expensive and therefore unable to respond properly to the social needs which the residential Tenancies Act, 1979 is intended to meet. All statutes respond to social needs. The Courts are unfamiliar with equity and the concept of fairness, justice, convenience, reasonableness. Since the enactment in 1976 of the legislation assuring "security of tenure" the County Court Judges of Ontario have been dealing with matters arising out of that legislation, apparently with reasonable dispatch, as both landlords and tenants in the present proceedings have spoken clearly against transfer of jurisdiction in respect of eviction and compliance orders from the Courts to a special commission. It is perhaps also of interest that there is no suggestion in the material filed with us that the Law Reforms Commission favoured removal from the Courts of the historic functions performed for over 100 years by the Courts.

I am neither unaware of, nor unsympathetic to, the arguments advanced in support of a view that s.96 should not be interpreted so as to thwart or unduly restrict the future growth of provincial administrative tribunals. Yet, however worthy the policy objectives, must be recognized that we, as a Court, are not given the freedom to choose whether the problem is such that provincial, rather than federal, authority should deal with it. We must seek to give effect to the Constitution as we understand it and with due regard for the manner in which it has been judicially interpreted in the past. If the impugned power is violative of s.96 it must be struck down."

34. In **Hins v. The Queen** **Director of Public Prosecutions v Jackson** **Attorney General of Jamaica (intervener)** 1976 (1) All ER 353, the Privy Council had to decide a matter under the Jamaican Constitution. A Gun

Courts Act, 1974 was passed by the Jamaican Parliament in which it set up various courts. A question similar to the question posed in the instant case was decided thus:

"All constitutions on the Westminster model deal under separate chapter heading with the legislature, the executive and the judicature. The chapter dealing with the judicature invariably contains provisions dealing with the method of appointment and security of tenure of the members of the judiciary which are designed to assure to them a degree of independence from the other two branches of government. It may, as in the case of Constitution of Ceylon, contain nothing more. To the extent to which the constitution itself is silent as to the distribution of the plenitude of judicial power between various courts it is implicit that it shall continue to be distributed between and exercised by the courts that were already in existence when the new constitution came into force; but the legislature, in exercise of its power to make laws for the 'peace, order and good government of the state, may provide for the establishment of new courts and for the transfer to them of the whole or part of the jurisdiction previously exercisable by an existing court. What, however, is implicit in the very structure of a constitution on the Westminster model is that judicial power, however it be distributed from time to time between various courts, is to continue to be vested in persons appointed to hold judicial office in the manner and on the terms laid down in the chapter dealing with the judicature, even though this not expressly stated in the constitution (Liyanage v. R [1966] All ER 650 at 658 [1976] AC 259 at 287, 288]

The more recent constitutions on the Westminster model, unlike their earlier prototypes, include a chapter dealing with fundamental rights and freedoms. The provisions of this chapter form part of the substantive law of the state and until amended by whatever special procedure is laid down in the constitution for this purpose, impose a fetter on the exercise by the legislature, the executive and the judiciary of the plenitude of their respective powers. The remaining chapters of the constitutions are primarily concerned not with the

legislature, the executive and the judicatures as abstractions, but with the persons who shall be entitled collectively or individually to exercise the plenitude of legislative, executive or judicial powers – their qualifications for legislative, executive or judicial office, the method of selecting them, their tenure of office, the procedure to be followed where powers are conferred on a class of persons acting collectively and the majorities required for the exercise of these powers. Thus, where a constitution on the Westminster model speaks of a particular 'court' already in existence when the constitution comes into force, it uses this expression as a collective description of all those individual judges who, whether sitting alone or with other judges or with a jury, are entitled to exercise the jurisdiction exercised by that court before the constitution came into force. Any express provision in the constitution for the appointment or security of tenure of judges of that court will apply to all individual judges subsequently appointed to exercise an analogous jurisdiction, whatever other name may be given to the 'court' in which they sit (*Attorney General for Ontario v. Attorney General for Canada*.)

Where, under a constitution on the Westminster model, a law is made by the parliament which purports to confer jurisdiction on a court described by a new name, the question whether the law conflicts with the provisions of the constitution dealing with the exercise of the judicial power does not depend on the label (in the instant case 'The Gun Court') which the parliament attaches to the judges when exercising the jurisdiction conferred on them by the law whose constitutionality is impugned. It is the substance of the law that must be regarded, not the form. What is the nature of the jurisdiction to be exercised by the judges who are to compose the court to which the new label is attached? Does the method of their appointment and the security of their tenure conform to the requirements of the constitution applicable to judges who, at the time the constitution came into force, exercised jurisdiction of that nature? (*Attorney General for Australia v. R and Boilermakers' Society of Australia*.)”

35. Ultimately, a majority of the court found that the provisions of the 1974 Act, in so far as they provide for the establishment of a full court division of the Gun Court consisting of three resident Magistrates were unconstitutional.

36. It was also argued by the learned Attorney General that the High Courts' jurisdiction under Section 260A of the Income Tax Act and other similar tax laws could be taken away by ordinary law and such sections could be deleted. If that is so surely the jurisdiction vested in the High Court by the said section can be transferred to another body.

37. It is well settled that an appeal is a creature of statute and can be done away by statute. The question posed here is completely different and the answer to that question is fundamental to our jurisprudence: that a jurisdiction to decide substantial questions of law vests under our constitution, only with the High Courts and the Supreme Court, and cannot be vested in any other body as a core constitutional value would be impaired thereby.

38. In fact, the Attorney General in his written argument at paras 16 and 21(a) has stated before us:

"16. It is submitted that the present Act does not take away the power of judicial superintendence of the High Court under Article 227. Direct appeal to the Supreme Court from the decisions of a tribunal of first instance is an acceptable form of

judicial scrutiny. Provision for direct appeal to Supreme Court from the decision of a tribunal can be purely on questions of law as well. Since the High Court as a rule does not exercise its power of judicial superintendence when an appeal is provided to the Supreme Court, the power of judicial superintendence of the High Court over the tribunal stands curtailed in such cases as well. But this curtailment does not violate the rule of law as a court of law i.e. the Supreme Court continues to be the final interpreter of the law. By the same analogy a decision of an appellate tribunal with unrestricted right of appeal to the Supreme Court will not curtail the power of High Court under 227 as recourse to the High Court under Articles 226/227 would still be available if the tribunal exceeds its jurisdiction or violates the principles of natural justice or commits such other transgressions.

21. (a) The present Act provides ample scope for judicial scrutiny in the form of an Appeal under Section 24 of the Act and also under Articles 226/227, Article 32 and Article 136 of the Constitution."

39. On reading the above argument, it is clear that even according to this argument, the High Court's power of judicial review under Articles 226/227 has in fact been supplanted by the National Tax Tribunal, something which L. Chandrakumar said cannot be done. See Para 93 of **L. Chandra Kumar's** case quoted above. In *State of West Bengal v. Committee for Protection of Democratic Rights*, 2010 (3) SCC 571, a Constitution Bench of this Court held:

"39. It is trite that in the constitutional scheme adopted in India, besides supremacy of the Constitution, the separation of powers between the legislature, the executive and the judiciary constitutes the basic features of the Constitution. In fact, the importance of separation of powers in our system of governance was recognised in Special Reference No. 1 of

1964 [AIR 1965 SC 745 : (1965) 1 SCR 413] , even before the basic structure doctrine came to be propounded in the celebrated case of *Kesavananda Bharati v. State of Kerala* [(1973) 4 SCC 225] , wherein while finding certain basic features of the Constitution, it was opined that separation of powers is part of the basic structure of the Constitution. Later, similar view was echoed in *Indira Nehru Gandhi v. Raj Narain* [1975 Supp SCC 1] and in a series of other cases on the point. Nevertheless, apart from the fact that our Constitution does not envisage a rigid and strict separation of powers between the said three organs of the State, the power of judicial review stands entirely on a different pedestal. Being itself part of the basic structure of the Constitution, it cannot be ousted or abridged by even a constitutional amendment. (See *L. Chandra Kumar v. Union of India* [(1997) 3 SCC 261 : 1997 SCC (L&S) 577] .) Besides, judicial review is otherwise essential for resolving the disputes regarding the limits of constitutional power and entering the constitutional limitations as an ultimate interpreter of the Constitution. ”

“68. Thus, having examined the rival contentions in the context of the constitutional scheme, we conclude as follows:

(iii) In view of the constitutional scheme and the jurisdiction conferred on this Court under Article 32 and on the High Courts under Article 226 of the Constitution the power of judicial review being an integral part of the basic structure of the Constitution, no Act of Parliament can exclude or curtail the powers of the constitutional courts with regard to the enforcement of fundamental rights. As a matter of fact, such a power is essential to give practicable content to the objectives of the Constitution embodied in Part III and other parts of the Constitution. Moreover, in a federal constitution, the distribution of legislative powers between Parliament and the State Legislature involves limitation on legislative powers and, therefore, this requires an authority other than Parliament to ascertain whether such limitations are transgressed. Judicial review acts as the final arbiter not only to give effect to the distribution of legislative powers between Parliament and the State Legislatures, it is also necessary to show any transgression by each entity. Therefore, to borrow the words of Lord Steyn, judicial review is justified by combination of “the

principles of separation of powers, rule of law, the principle of constitutionality and the reach of judicial review."

40. In **Proprietary Articles Trades Association v. Attorney General for Canada, 1931 AC 311**, Lord Atkin said:

"Their Lordships entertain no doubt that time alone will not validate an Act which when challenged is found to be ultra vires; nor will a history of a gradual series of advances till this boundary is finally crossed avail to protect the ultimate encroachment." At Pg 317.

41. Chandra Kumar and R. Gandhi have allowed tribunalization at the original stage subject to certain safeguards. The boundary has finally been crossed in this case. I would, therefore, hold that the National Tax Tribunals Act is unconstitutional, being the ultimate encroachment on the exclusive domain of the superior Courts of Record in India.

.....J.
(R.F. Nariman)

New Delhi,
September 25, 2014

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ITEM NO.1A
(For Judgment)

COURT NO.1

SECTION XVIA

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Transfer Case (Civil) No(s). 150/2006

MADRAS BAR ASSOCIATION

Petitioner(s)

VERSUS

UNIDN OF INDIA & ANR.

Respondent(s)

WITH

C.A. No. 3850/2006

C.A. No. 3862/2006

C.A. No. 3881/2006

C.A. No. 3882/2006

C.A. No. 4051/2006

C.A. No. 4052/2006

T.C. (C) No. 116/2006

T.C. (C) No. 117/2006

T.C. (C) No. 118/2006

W.P. (C) No. 621/2007

W.P. (C) No. 697/2007

Date : 25/09/2014 These matters were called on for Judgment today.

For Feticioner(s)

Mr. Mukul Rohatgi, Attorney General's
Mr. Arijit Prasad, Adv.
Mr. B. V. Balaram Das, Adv.

Mr. Nikhil Nayyar, Adv.

Mr. P. Parmeswaran, Adv.

:1:

Mr. D. S. Mahra, Adv.

Mr. K. C. Dua, Adv.

Mr. Shibashish Misra, Adv.

Mr. Rustom B. Hathikhanawala, Adv.

Mr. E. C. Vidya Sagar, Adv.

Mr. Pramod Dayal, Adv.

For Respondent(s)

Mr. P. Parmeswaran, Adv.

Mr. Ardhendumauli Kumar Prasad, Adv.

Mr. Aviral Shukla, Adv.

Mr. Amit A. Pai, Adv.

Ms. Pankhuri Bhardwaj, Adv.

Mr. Nitesh Ranjan, Adv.

M/s. Parekh & Co.

Mr. Pramod Dayal, Adv.

Mr. K.C. Dua, Adv.

Mr. Nikhil Nayyar, Adv.

Mr. Satya Mitra Garg, Adv.

Mr. Rustom B. Hathikhanawala, Adv.

Mr. B. Krishna Prasad, Adv.

Mr. Ajay Pal, Adv.

Mr. Parmanand Gaur, Adv.

Hon'ble Mr. Justice Jagdish Singh Khehar pronounced the Judgment on behalf of Hon'ble the Chief Justice, His Lordship, Hon'ble Mr. Justice J. Chelameswar and Hon'ble Mr. Justice A.K. Sikri.

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Hon'ble Mr. Justice Rohinton Fali Nariman pronounced a separate Judgment concurring in the result.

All matters are disposed of in terms of reportable Judgments.

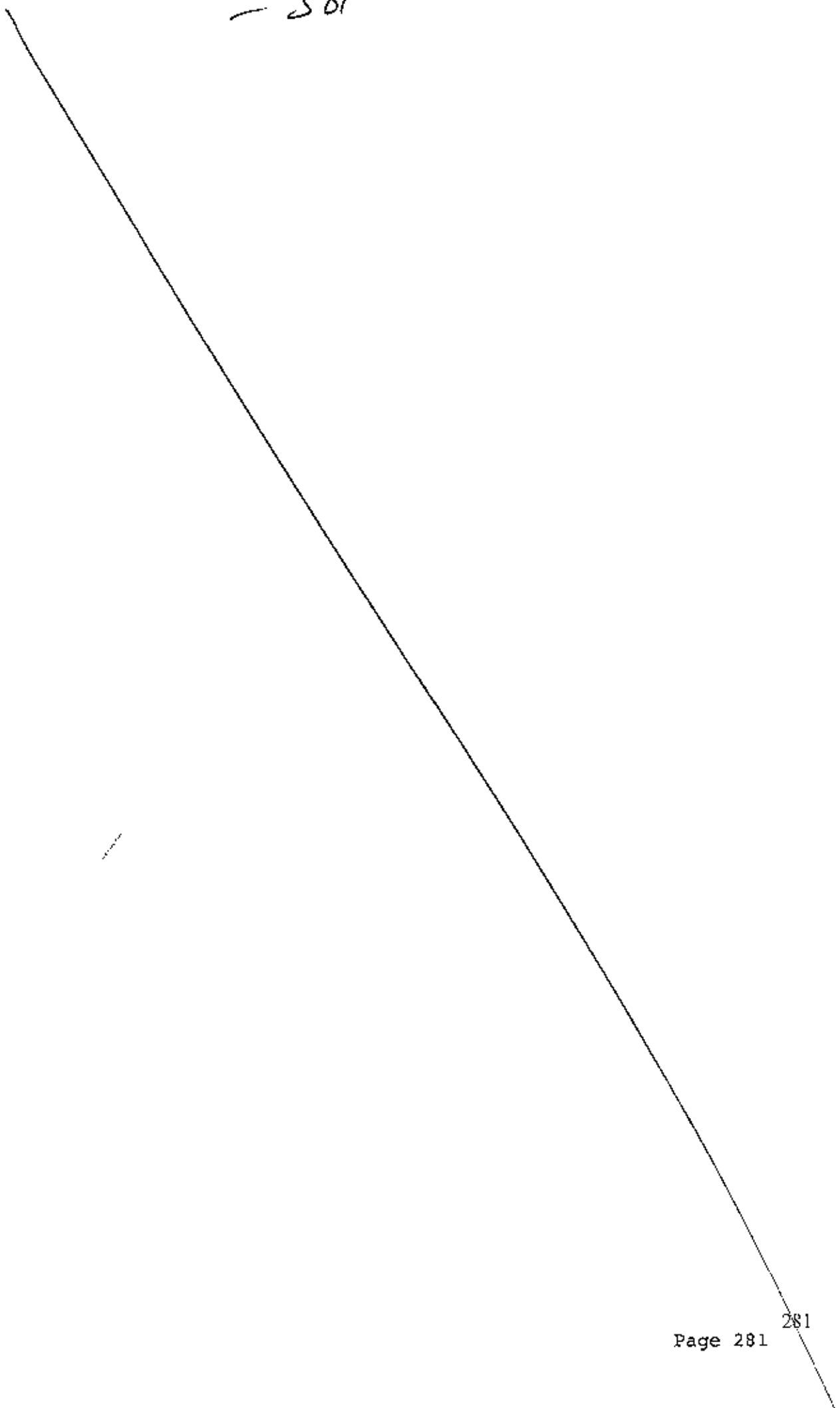
(RAJESH DHAM)
COURT MASTER

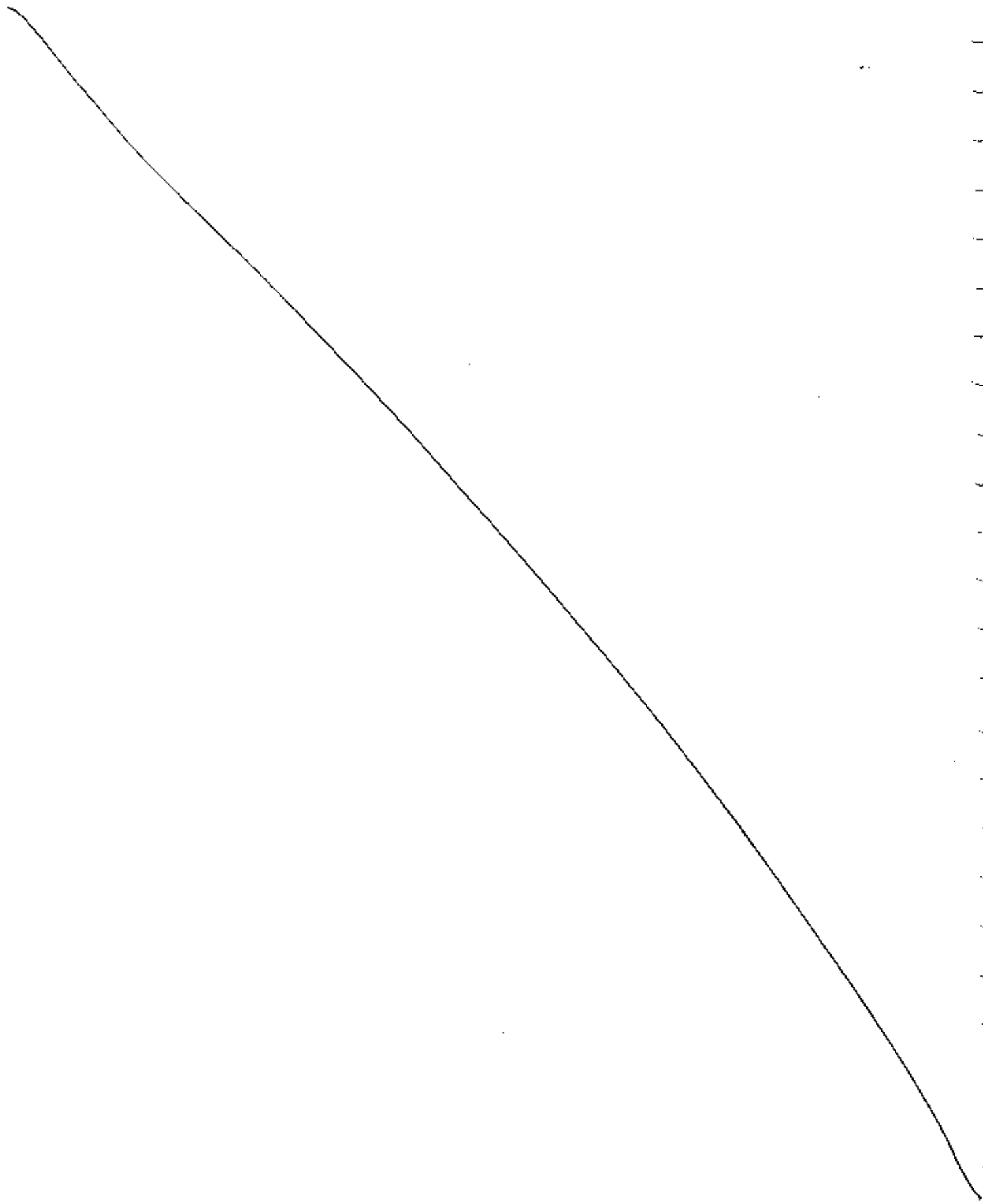
(RENU DIWAN)
COURT MASTER

(two signed reportable Judgments are placed on the file)

:3:

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Dated 29th December, 1948

Article 60

Mr. Vice-President : The House will now take up for consideration article 60 of the Draft Constitution. Mr. Ahmed Ibrahim may move amendment No. 1289.

K. T. M. Ahmad Ibrahim Sahib Bahadur (Madras: Muslim): I have given notice of an amendment to this amendment.

Mr. Vice-President : Yes, I received it just now. The honourable Member may move it.

K. T. M. Ahmad Ibrahim Sahib Bahadur : Sir, I move:

"That the proviso to clause (1) of article 60 be deleted."

The object of my amendment is to preserve the executive powers of the States or Provinces at least in so far as the subjects which are included in the Concurrent List. It has been pointed out during the general discussion that the scheme of the Draft Constitution is to whittle down the powers of the States considerably and, though the plan is said to be a federal one, in actual fact it is a unitary form of Government that is sought to be imposed on the country by the Draft Constitution. Members from all parties, irrespective of party affiliations, have condemned during the general discussion this aspect of the Draft Constitution. They have repeatedly shown that this Draft Constitution is in spirit a unitary form of Government and not a federal one.

Now, Sir, even in the Lists of Subjects drawn up and attached to the Constitution, a very large number of subjects which are usually in the Provincial List have been transferred to the Concurrent List and the Union List, with the result that we find only a small number of subjects included in the Provincial List. Article 60 (1) (a) seeks to take away from the States the executive power even with regard to those few subjects which are included in the Concurrent List. This, Sir, will be depriving the States of a large portion of even the little executive power that will otherwise be left to them under this Draft Constitution. It may be said that this has to be done for the sake of common interest, for uniformity, for defence and for emergencies. But I would point out that there is no necessity at all to take away even this limited power from the

The Honourable Shri K. Santhanam : May I point out to the honourable Member that the deletion of the proviso to clause (1) will vest the entire executive power and Concurrent subjects at the Centre.

K. T. M. Ahmad Ibrahim Sahib Bahadur : I am coming to that.

The Honourable Shri K. Santhanam : May I point out to the honourable this proviso will be as stated by me.

K. T. M. Ahmad Ibrahim Sahib Bahadur : I am coming to that. I have given notice of another amendment to obviate that difficulty. It is to the effect that the word 'exclusive' be inserted in article 60 (1) (a) between the words 'Parliament has' and the word 'power'. The result of this will be that the executive power of the Union will be confined only to those subjects with respect to which it has exclusive power to make laws. I think this would remove the doubt expressed by my honourable Friend. The executive power under my amendment.....

The Honourable Shri K. Santhanam : Has the honourable Member the permission of the Chair to move this amendment?

K. T. M. Ahmad Ibrahim Sahib Bahadur : The Vice-President has been kind enough to permit me to move this amendment and in pursuance of that permission, I have moved the amendment:

Shri L. Krishnaswami Bharathi : How does it read now?

K. T. M. Ahmad Ibrahim Sahib Bahadur : It reads as follows:--

"Clause (1) (a) to the matters with respect to which Parliament has exclusive power to make laws."

Therefore the executive power of the Union shall not extend to matters with respect to which it has no exclusive power to make laws, i.e., matters included in the Concurrent List. Sir, under the present Government of India Act we do not have any such provision. In page 6 of the letter of the Chairman of the Drafting Committee to the Honourable President of the Constituent Assembly, in paragraph 7, he points out-

"Under the present Constitution, executive authority in respect of a Concurrent List subject vests in the province subject in certain matters to the power of the Centre to give directions."

He says then--

"In the Draft Constitution the Committee has departed slightly from this plan."

"I must point out, Sir, that it has not departed slightly from this plan but on the other hand the Drafting Committee has opened the floodgates to the Central Government to enable it to make as many inroads as possible into the powers of the provinces and states with respect to the Concurrent subjects, as the proviso reads:

"Provided that the executive power referred to in sub-clause (a) of this clause shall not, save as expressly provided in this Constitution or in any law made by Parliament....."

Therefore not only has the Union Government executive power in respect of subjects included in the Concurrent List to the extent it is specifically conferred by this Constitution but Parliament may also from time to time make legislation conferring on the Union Government executive power in regard to subjects included in the Concurrent list, with the result that all the subjects may be removed from the Concurrent List and transferred to the Federal List in course of time. It is not fair, Sir, that provincial autonomy should be whittled down to such an extent. In actual practice it will come to that, I know, Sir, that to obviate this difficulty, my honourable Friend, Pandit Kunzru, has given notice of an amendment for the omission of the words "or in any law made by Parliament". It will in away remove the difficulty but not the entire difficulty. That is why I am persisting in moving my amendment. Sir, under the present Government of India Act, even though the Central Government can give only directions to the provincial governments in regard to these subjects, in actual practice the provincial governments are not able to carry on their administration without any hindrance or impediment from the Central Government on account of this power to give directions. We have heard very often repeated by our Ministers that even though they do not see eye to eye with certain directions issued by the Central Government, they are helpless and cannot do what they consider best. Even with regard to the food policy they say they are able to do what they consider to be best in the interests of the province, as they have to obey the directions of the Central Government in this matter. Very often after their return to Madras from Delhi, our ministers point out that though they do not agree with the views of the Central Government, they have to carry out their directions because these directions

have been issued under the law, even though they do not believe that the policy adumbrated by the Central Government in regard to the matter will be successful.

I hope, Sir, that the House will recognise the importance of this amendment. As I pointed out, already the powers of the provincial governments have been considerably taken away and if this clause also remains as it is, provincial autonomy will become almost a nullity. Even under the present provisions, empowering Parliament to legislate for conferring executive power on the Union will be only glorified district boards and municipalities, and this clause empowering Parliament to legislate for conferring executive power on the Union Government with regard to any subjects included in the Concurrent List will be only another nail in the coffin of provincial autonomy.

Mr. Vice-President : Amendments Nos. 44 and 45 may be moved together.

Pandit Hirday Nath Kunzru (United Provinces: General) : Mr. Vice-President, I beg to move:

"That with reference to amendment No. 1289, in the proviso to clause (1) of article 60, the words 'or in any law made by Parliament' be deleted."

and

"that with reference to amendment No. 1289, after clause (1) of article 60 the following clause be inserted :

(1a) Any power of Parliament to make laws for a State with respect to any matter specified in entries 25 to 37 of the Concurrent List shall include power to make laws as respects a State conferring powers and imposing duties, or authorising the conferring of powers and the imposition of duties upon the Government of India or officers and authorities of the Government of India as respects that matter, not with standing that it is one with respect to which the Legislature of the State also has power to make laws."

Sir, there are federations of all kinds. There are federations for instance of the United States of America, Canada and Australia, but in none of these federal Constitutions does the Central Government enjoy the right to issue executive directions to the provincial or State governments. In Canada, concurrent powers of legislation have been given both to the Dominion Government and the provincial governments in regard to two subjects, agriculture and immigration. In Australia, there are a large number of subjects in respect of which both the Commonwealth and the States can legislate. Yet in neither of these countries is the Central Government in a position to direct the State nor provincial government to exercise their authority in any particular way. Our Constitution, however, departs from this principle. Under the Government of India Act, 1935, the Central Government have the right to issue instructions to provincial governments in respect of certain matters. Those matters are connected either with subjects that are exclusively within the jurisdiction of the Central Legislature or are contained in Part II of the Concurrent List. If the language of the proviso to article 60 is accepted, the Central Government will have the right to issue instructions to the Provincial Governments with regard to the manner in which they should exercise their executive authority in respect of all subjects in the Concurrent List. What we have to consider is whether circumstances have arisen that make it necessary or desirable that such a power should be conferred on the Central Government.

The Honourable Shri K. Santhanam : May I point out to the honourable Member that it is only when Parliament makes a law and gives that power that it will extend in any State?

Pandit Hirday Nath Kunzru : I perfectly understand it. That is obvious. If Mr. Santhanam will bear with me for a while, he will find that I shall not omit to refer to this matter.

I do not see, Sir, that there is any reason why so large a power should be conferred on the Central Government. We have to be clear in our minds with regard to the character of the Constitution. While we may profit by the experience of other federal countries and need not slavishly copy their constitutions, it is necessary that the federal principle should be respected in its essential features. We should not go so far in our desire to give comprehensive powers to the Central Government to deal with emergencies as to make the Provincial Governments virtually subordinate to the Central Government. Whatever powers may be conferred on the Central Government if the federal principle is to be given effect to, the Provincial Governments should be coordinate with and not subordinate to the Central Government in the provincial sphere. If this principle is accepted by the House; I think that the proviso in the article under discussion would be found to be contrary to the relations that ought properly to subsist between the Central and the Provincial Governments. The proviso, as honourable Members know, runs as follows:

"Provided that the executive power referred to in sub-clause (a) of this clause shall not, save as expressly provided in this Constitution or in any law made by Parliament, extend in any State to matters with respect to which the Legislature of the State has also power to make laws."

If this is accepted, it will be open to the Central Legislature to pass a law empowering the Central Government to issue directions to the Provincial Governments with regard to the manner in which the law should be executed. Under the Government of India Act, 1935, such a power was conferred on the Central Government, but it was more restricted. Sub-section (2) of section 126 of the Government of India Act, 1935 says down that the executive authority of the Dominion shall also extend to the giving of directions to a Province as to the carrying into execution therein of any Act of the Dominion Legislature which relates to a matter specified in Part II of the Concurrent Legislative List and authorises the giving of such directions," and no bill or amendment dealing with this matter be introduced without the previous sanction of the Governor-General. In the new order, it is quite obvious that the Governor-General, who will be the Constitutional Head of the State, cannot be entrusted with the power given to the Governor-General by this sub-section. But there seems to me to be no reason why the power conferred by sub-section (2) of section 126 of the Government of India Act, 1935 should be widened in the manner proposed in the proviso to article 60 of the Draft Constitution. It is true that the Central Government will not have the right to issue instructions to the Provincial Governments with regard to the execution of any law, unless the law itself provides that such instructions should be issued. But this is certainly no check on the power of the Central Legislature. The Central Legislature itself will be the judge of the propriety of conferring such a power on a Government that is responsible to it. What I am seeking to do by my amendment is to protect the Provincial Governments against any unnecessary encroachment on their powers by the Central Legislature and Central Government.

Now, Sir, it may be pointed out to me that if the words "or in any law-made by Parliament" are deleted from the proviso, the Central Government will not enjoy even the limited power conferred on it by sub-section (2) of Section 126 of the Government of India Act, 1935. I think, Sir, that this can be provided for under article 234. I have accordingly given notice of an amendment to article 234 that would enable the Central Government to issue instructions to provincial Governments with regard to the execution of laws relating to items 25 to 37 of the Concurrent List if the central legislature by law authorises the Central Government to do so.

There is, however, one other matter to which it is necessary to draw the attention of the House. The second part of my amendment goes beyond anything contained in the Government of India Act, 1935. I may be asked how I am proposing an extension of the power of the central legislature and through it of the Central Government when the purpose of my amendment is to see that the executive authority of the provincial

Governments is not unnecessarily restricted by orders issued to them by the Central Government under laws passed by Parliament. Honourable Members will remember that a few weeks ago, the Deputy Prime Minister introduced a Bill in this House the object of which was to amend the Government of India Act, 1935. It was stated in the Statement of Objects and Reasons attached to that Bill that experience had shown that uniform principles in the review of awards made by the Central and provincial industrial tribunals should be adopted under the overall control of the Central Government. It was therefore proposed in the Bill that the Central Government should, in addition to the right of issuing instructions to the provincial Governments in regard to the manner in which their authority should be exercised, also have the power to confer power on their own officers regarding the execution of laws dealing with any of the matters referred to in the Concurrent List. I should not like to go into the merits of that Bill; but we have to take into account the fact that in the present circumstances it is necessary so to widen the powers of the Central Government as to enable them to impose duties on their own officers in respect of certain matters if any law made by Parliament permits them to do so. The matters with which the Bill introduced by the Honourable Sardar Vallabhbhai Patel is concerned are industrial matters and a few other matters. Broadly speaking, these matters are covered by items 25 to 37 of the Concurrent List contained in the Draft Constitution. These matters are, but for two items, the same as those contained in Part II of the Concurrent List in the Government of India Act, 1935. It appears to be reasonable in the present circumstances when Labour is becoming conscious of its rights, when questions relating to it have to be settled on an all-India basis, that in all these questions that might involve the settlement of disputes between labour and the employers, there ought to be a power vested somewhere, in order that matters of importance may be dealt with in an uniform manner. I do not know when the Bill introduced by the Honourable Sardar Patel will be considered by the House. But, I have little doubt that the power asked for by him will be conferred on the Central Government by the House. If that is done, it is obvious that the Draft Constitution will have to be amended so that it may be brought into line with the Government of India Act, 1935. I have anticipated this necessity and have therefore brought forward an amendment authorising the Dominion Parliament to confer powers or impose duties on the Central Government or any of its officers in respect of entries 25 to 37 of the Concurrent List. It seems to me, Sir, that the amendment proposed by me meets the needs of the case. There is no reason whatsoever why the Central Government should be given the wide power that the passage of the proviso would confer on the Central Executive under laws passed by the Central Parliament.

I should like, Sir, to refer to one more matter before I resume my seat. Under the Government of India Act, 1935, the power of the Dominion legislature to pass laws authorising the Central Government to confer powers and impose duties on their own officers with respect to matters in regard to which provincial legislatures could make laws could be exercised only when a declaration of emergency had been issued declaring that the security of India was threatened by war. So far as I remember, Sir, in no other contingency was the Central Legislature allowed to authorise the Central Government, or to place the Central Officers in a position to deal with the execution of laws on matters included in the Concurrent List. In proposing therefore my second amendment, it will be seen that I have not copied the provisions of the Government of India Act, 1935. I have departed considerably from the provisions of that Act but I have done so in so far only as circumstances have proved that the departure is necessary. It is incumbent on my honourable Friend Dr. Ambedkar to show that the wide power that he has asked for is essential in the present circumstances if law and order are to be maintained in India or if its security is not to be threatened or if problems arising in the new circumstances are of such a character that the country will be able to deal with them only when the Provincial Governments have been made practically subordinate to the Central Government. As I do not feel that any such circumstances have arisen, I have proposed the amendments that I read out a little while ago. I hope, Sir, that they will receive the careful consideration of the House.

(Amendments Nos. 1290 and 1291 were not moved.)

Mr. Vice-President : Amendment No. 1292 is disallowed as a verbal amendment.

Mr. Naziruddin Ahmad: It is not merely verbal. It will change the sense. In fact, my amendment will set up a different authority altogether.

Mr. Vice-President : I am afraid I do not agree with you.

Amendment No. 1293 is disallowed as verbal.

The article is open for general discussion. Mr. Mohamed Ismail Sahib.

Mr. Mohamed Ismail Sahib (Madras ; Muslim): Sir, I support the amendments moved by Mr. K. T. M. Ahmad Ibrahim, of the intention to move which I have also given notice. Sir, in the footnote under article 60 the Drafting Committee says--

"The Committee has inserted this proviso on the view that the executive power in respect of Concurrent List subjects should vest primarily in the State concerned except as otherwise provided in the Constitution or in any law made by Parliament."

The impression which this note creates in the minds of the readers is that some power or more power than is apparent in the article is being sought to be vested in the provinces but any such impression is removed by what the Chairman of the Drafting Committee says in Para. 7 of his letter to the President of the Constituent Assembly. He speaks of the saving clause in the proviso and says--

"The effect of this saving clause is that it will be open to the Union Parliament under the new Constitution to confer executive power on Union authorities, or if necessary, to empower Union authorities to give directions as to how executive power shall be exercised by State authorities."

That is being made clearer by the next sentence in which he says--

"In making this provision the Committee has kept in view the principle that executive authority should for the most part be co-extensive with legislative power."

Wherever the Centre has been endowed with legislative power, it is being sought to endow it with executive power as well. Our amendments seek to correct this position and say that the Centre might have legislative power on the subjects included in the concurrent list but at least the executive power ought to be left in the hands of the units--the provinces. Sir, I have to make a few remarks in connection with the scheme of this Constitution. It is said that the American Constitution has been based on a suspicion of the Central authorities that the people in power in the Centre would seek to encroach, whenever there is an opportunity, on the powers of the States, i.e. the component parts or units and also of the individuals. It was contended not only at that time when that Constitution was made but also subsequently and even at the present time that such a conception of a Constitution is well based on facts, because it is admitted that when people come to power, more often than not the power corrupts them. Therefore too much of power should not be invested or placed in the hands of the executive and the supreme authority. But so far as our draft Constitution goes, the contrary seems to be the method which has been adapted. It has been based on the suspicion of individuals and the component units. The idea seems to be that the individuals will always be scheming and conspiring to set the authority at naught and the units would always be on the look-out for doing something wrong. Therefore, Sir, though the scheme of things as adumbrated in the Draft Constitution is alleged to be on a federal basis, it is really overweighting the Centre with too much power. That is not salutary at least under the

circumstances obtaining in our country. That is not good to the country as a whole. Ours is a country of vast distances and a huge population. Therefore it is not conducive to efficiency to over-concentrate power in the Centre. Units must be left with adequate powers in their hands. It must not be the basis of this Constitution that patriotism and anxiety for the welfare of the people are the sole monopoly of the Centre. It must be admitted that the Provinces and individuals also are as patriotic as anybody else. Therefore, their rights and powers must not be sought to be encroached upon. The basis of this Constitution seems to be suspicion, in the first place of the individuals and then in the second place of the units. Sir, where the individuals are concerned, it has not even been conceded that individuals have got an irreducible amount of right to personal freedom. The personal freedom that has been conceded under article 15 is beset with serious, and not only a serious, but fatal modifications so much so these modifications have eaten up and swallowed up the right of personal freedom. It does not recognise that an individual has got any irreducible right which cannot be taken away by any law. And so far as the Provinces or Units are concerned, the same spirit seems to prevail. By various provisions, the powers of the Provinces are sought to be taken away; and in the interest of efficient government and good government, I think that spirit ought not to prevail; and the powers of the units must not be encroached upon.

These amendments of ours, while providing for the maintenance of the legislative powers of the Centre where the appropriate subjects are concerned, want to restrict the executive field of the Centre. Therefore, I think, they are very reasonable amendments which the House should support. I also know that if only Members are given the right to vote as they please, and if they are given the freedom of vote on this particular question at least, I know Sir, many Members will vote for these amendments. I know personally, Sir, there are many Members who feel with me in the matter of these amendments.

Mr. Vice-President : May I suggest that these remarks are not called for here?

Mohamed Ismail Sahib Bahadur : Sir, I am speaking, with your permission, of what I know to be the feeling of many of my colleagues here on this very important matter. In these amendments is involved the efficiency of the government and therefore the welfare of the whole country and of the people. These amendments seek to eliminate any friction or any conflict that may arise in the future between the Centre and the Provinces. If time and again the Centre seeks to encroach upon the rights and powers of the units, then, there is sure to be conflict and friction and these amendments only seek to remove any such conflict. And I wanted to make it clear that I am not alone in this feeling of mine; that I am not alone in this opinion, but that there are many others irrespective of party affiliations. Therefore, I would very much like that the colleagues of mine in this House be given freedom of vote to vote as they please. In that case, the Chairman of the Drafting Committee will know whether there is real support among the Members of this House for the idea contained in these amendments. If the Chairman of the Drafting Committee does not find it in his mind to accept these amendments, may I appeal to him, atleast to accept the amendment to our amendment moved by Pandit Kunzru which seeks to remove the words "or in any law made by Parliament". That at least would mean something. That would go to some extent to alleviate the conditions which I have got in mind and which I have been trying to express here. It will to a certain extent restrict the encroachment upon the powers of the Provinces. Therefore, I would appeal to the House and to the Chairman of the Drafting Committee to consider at least the much milder amendment which seeks to eliminate the words "or in any law made by Parliament".

Mr. Vice-President : I have just received information about the sudden death of Sir Akbar Hydari, Governor of Assam. He was not a member of this House, but we all know the excellent work he has done for our country and we also know that we are indebted not only to him but also to his father. The offices of the Government of India are already

closed. It is true that His Excellency was not a member of this House, but still I think we ought to adjourn as tribute to him and as a mark of respect to his memory.

The House stands adjourned till 10 A.M. tomorrow.

The Constituent Assembly then adjourned till Ten of the clock on Thursday, the 30th December 1948.

**CONSTITUENT ASSEMBLY OF INDIA DEBATES (PROCEEDINGS)-
VOLUME VII**

Thursday, the 30th December 1948

The Constituent Assembly of India met in the Constitution Hall, New Delhi, at Ten of the Clock, Mr. Vice-President (Dr. H. C. Mookherjee) in the Chair.

DRAFT CONSTITUTION-(Contd.)

Article 60-(Contd.)

Mr. Vice-President (Dr. H. C. Mookherjee): I have just received notice of an adjournment motion signed by Sri Mahavir Tyagi. It is ruled out of order under Rule 26 of the Rules of Procedure and Standing Orders of the Constituent Assembly of India. Does the House want to know the contents of this adjournment motion?

Honourable Members : Yes, yes.

Mr. Naziruddin Ahmad (West Bengal : Muslim): Sir, on a point of order. Is an adjournment motion in this House permissible?

Mr. Vice-President : I shall read out the adjournment motion:

"I beg to move that the House do adjourn to discuss the attitude of the Government of India in respect of the recent attacks on Indonesia."

It is ruled out of order under Rule 26 of the Rules of Procedure and Standing Orders of the Constituent Assembly of India.

We can now resume discussion on article 60. Is Pocker Sahib Bahadur in the House?

B. Pocker Sahib Bahadur (Madras : Muslim): Mr. Vice-President, this clause as it stands is sure to convert the Federation into an entirely unitary form of Government. This is a matter of very grave importance. Sir, we have been going on under the idea, and it is professed, that the character of the Constitution which we are framing is a federal one. I submit, Sir, if this article, which gives even executive powers with reference to the subjects in the Concurrent List to the Central Government, is to be passed as it is, then there will be no justification at all in calling this constitution a federal one. It will be a misnomer to call it so. It will be simply a camouflage to call this Constitution a federal one with provisions like this. It is said that it is necessary to give legislative powers to the Centre with regard to certain subjects mentioned in the Concurrent List, but it is quite another thing, Sir, to give even the executive powers with reference to them to the Centre. These provisions will have the effect of practically leaving the provinces with absolutely nothing. Even in the Concurrent List there is a large number of subjects which ought not to have found place in it. We shall have to deal with them when the time comes. But this clause gives even executive powers to the Centre with reference to the subjects which are detailed in the Concurrent List. In this connection, since the question has been expounded with great lucidity and ability by the Honourable Pandit Kunzru, I do not want to take up the time of the House in dealing with those aspects.

Now I would just like to point out one aspect of the matter and it is this. In such a big sub-continent as India, it will be very difficult for the authorities in the Centre to appreciate correctly the requirements of the people in the remotest parts of this country, and this disability is there even with regard to legislation. But even if executive power, with reference to those laws dealing with subjects in the Concurrent List, is given to the Centre, the result will be that if any person is aggrieved by the way in which the law is executed in a very remote part of the country, he has to resort to the Centre which may be thousands of miles away, and it is not all people that can fly from one part of the country to the other in a few hours. I submit, Sir, that if we just look into the Concurrent List as it is, we shall find that there are very many subjects which ought not to have found a place in it. Anyhow, if those subjects are to be dealt with by an executive which is under the Centre, it will be a very great hardship, and I do submit that the machinery itself will be very inefficient and will be a blot on the administration.

If with reference to such subjects as are mentioned in the Concurrent List, the people suffer by the bad way in which the executive carries on the administration, then the result will be that the persons who have got a grievance will have to go a very great distance to have matters redressed, and even then it will be very difficult for the authorities in the Centre to realize the difficulties. It has been pointed out that as matters stand now as regards the subjects in the Concurrent List, the executive authority is in the provinces, and to do away with that practice and to centralise even the executive powers in the Centre with regard to all these subjects in the Concurrent List is a very backward step. Even from 1919 onwards when the Britishers were ruling, Provincial Autonomy was considered to be one of the objects of the Reforms. Now after we have won freedom, to do away with Provincial Autonomy and to concentrate all the powers in the Centre really is tantamount to totalitarianism, which certainly ought to be condemned. It has become the order of the day to call a dog by a bad name and hang it. Well, if some group of persons agitate for protecting their rights as a group, it is called communalism and it is condemned. If Provinces want Provincial Autonomy to be secured to allow matters peculiar to them to be dealt with by themselves, well, that is called provincialism, and that is also condemned. If people press for separation of linguistic Provinces it is called separatism and it is condemned. But I only wish that these gentlemen who condemn these 'isms' just take into consideration what the trend of events is. It is leading to totalitarianism; they ought to condemn that in stronger language. But I am afraid that the result of the condemnation of these various 'isms', namely communalism, provincialism and separatism, is that it leads to totalitarianism or as even fascism. If there are separate organisations for particular groups of people who think in a particular way, well, that is condemned as communalism or as some other 'ism'. If all kinds of opposition are to be got rid of in this sort of way, well, the result is that there is totalitarianism of the worst type, and that is what we are coming to having regard to the provisions in this Draft Constitution as they stand.

Therefore, it is high time that we take note of this tendency and see that we avoid it and that we do not come to grief. I submit that at least as regards this provision, the amendment only seeks to make a very moderate demand, namely that with reference to matters in the Concurrent List, even though the Centre may have legislative power, the executive power with reference to those subjects should be left to the Provinces. This is a very moderate demand, and as has already been pointed out, honourable Members from various Provinces do feel that these executive powers should be left to the Provinces. But as we all know, they are not able to give effect to their views for obvious reasons, and I do not want to raise questions which may create a controversy. But I would submit that those honourable Members who do really feel that this amendment is one which is for the good of the people and that according to their conscience it ought to be carried, ought not to hesitate from giving effect to their views according to their conscience. I would remind honourable Members that the duty we have to perform here is a very sacred one and that we are answerable to God for every act we are doing here, and if the defence is that we did not act according to our conscience on account of the whip

that is issued, I submit, Sir, the honourable Members will realise that it is no defence at all.

Shri L. Krishnaswami Bharathi (Madras : General) : Sir, is it necessary to make all these references?

B. Pocker Sahib Bahadur : I am making all these references on account of facts which cannot be denied.

Mr. Vice-President : I am afraid Mr. Pocker Sahib is raising a controversy.

B. Pocker Sahib Bahadur : Mr. Vice-President, Sir, I have already stated that I do not want to enter into this controversy, but I have got every right to appeal to each and every honourable Member.

Mr. Vice-President : Nobody is preventing the honourable Member from doing it.

B. Pocker Sahib Bahadur : I have got a right of appeal to every individual Member to exercise his right of vote according to his conscience. That is why I am making these submissions. I have to make this appeal on account of obvious reasons on which I do not want to dwell. The honourable Members know, I know, and the Honourable the Vice-President knows it. Therefore, I do not want to dwell on those aspects of the case.

Mr. Vice-President : The Honourable the Vice-President, has absolutely no knowledge of this.

B. Pocker Sahib Bahadur : Well, Sir, I hope the Honourable the Vice-President, will not compel me to dilate more on this topic. Anyhow, I take it that the Honourable the Vice-President knows that Party Whips are issued and Members are being guided by these Whips, to put it in a nutshell. That is a fact well-known and cannot be denied, and therefore, it is, that I make this special appeal to the honourable Members that if they are satisfied in their conscience that this is a matter in which they should support the amendment, they ought not to hesitate from doing so, and if they so require they ought to seek the permission of the Party to which they are affiliated.

Shri T. T. Krishnamachari (Madras : General) : Mr. Vice-President, Sir, I feel it my duty to oppose the two amendments that are before the House, to article 60. Sir, the two amendments fall into two distinct categories. The amendment that was proposed by my honourable Friend Mr. K. T. M. Ahmed Ibrahim merely sought to cut out the proviso to sub-clause (1) of article 60. That was the original state of the amendment. If the amendments were carried in that particular form, it would mean that the Federal executive power will be co-extensive with the legislative power that the Union has, namely, not only will it extend to List I but it will also extend to List III.

Subsequently apparently my honourable Friend found out his mistake and has sought to amend the body of sub-clause (1) of article 60, which limits the power of the Federation in regard to executive matters and completely prevents it from exercising it in the field of Concurrent legislation. Well, that, Sir, the House is aware, will mean going back on the present provisions of the Government of India Act. The position was remedied by my honourable Friend Pandit Hriday Nath Kunzru. With his characteristic precision he framed an amendment which will exactly fit in with the position that was envisaged in the Government of India Act of 1935. It does not concede any more executive power to the Centre than what it has under the Government of India Act, 1935. Sir, there is also a considerable amount of difference in the approach of the Movers of the two amendments. The three speakers who supported the amendment of

Mr. Ibrahim, including the mover, objected to the proviso to article 60(1) on political grounds. My honourable Friend Pandit Hirday Nath Kunzru objected to it on theoretical grounds. Let me first deal with my honourable Friend Pandit Kunzru's objections. He said that Federation or Federalism in the Draft Constitution before the House will become a farce if the position that is taken up by the Government of India Act in regard to the sphere of executive action that could be exercised by the Central Government in the concurrent field is changed; if the 'l's are dotted or the 't's are crossed. Pandit Kunzru is a person who is well known for his wide reading. His experience is profound and I shall not seek to controvert his right to lay down the law. But, nevertheless, he made a fundamental mistake in saying that there is a particular type of federalism or constitution which alone can be called federal and that the word 'Federal' or 'Federalism' had a complete connotation of its own, excluding every possible inroad into it. I must also point out that Pandit Kunzru made a big blunder in characterising our draft Constitution as being something which would not be federal if the proviso of the article is retained.

Sir, in regard to what is a Federal Constitution, there are various interpretations. It varies widely. For instance, the Canadian Constitution which is one of the four prominent Federal Constitutions in the world is characterised by some as not being wholly federal. On the other hand it does happen that in the actual working of the Constitution, it is more federal than the Australian Constitution which, from the strictly constitutional point of view, is undoubtedly fully federal. It is said often times that a Constitution becomes Federal because of the fact that the component units are first formed and then the Centre is created. That is the opinion expressed by Lord Hal Dane in 1913 as an obiter in a matter that was referred to him arising out of an Australian litigation wherein he mentioned that the Canadian Constitution was not Federal in so far as, while the British North American Act was passed by Parliament, the Centre and the Provinces were created at the same time.

Similarly there are other views in regard to what makes a Federation. Another view is that the residuary power must lie with the units and not with the Centre. Where and how this fact exactly detracts from the concept of Federalism nobody knows. This particular aspect is emphasised by reference to the United States Federation. If that is so, undoubtedly the Draft Constitution before the House is not federal, for one reason that the residuary power is not vested in the units; for another reason that it (the Draft Constitution) creates both the Centre and the Provinces at the same time.

Sir, If we are to accept this view, we would be merely theorising in regard to Federation. I hold the view that we have no reason to take a theoretical view of the Draft Constitution at this stage. The concept of this Constitution is undoubtedly Federal. But, how far Federalism is going to prove to be of benefit to this country in practice will only be determined by the passage of time and it would depend on how far the various forces inter-act conceding thereby to the provinces greater or lesser autonomy than what we now envisage. But I will repeat once more the fact that in actual practice it has happened that in Canada the provinces have greater amount of liberty of action under a Constitution which is not avowedly fully Federal, than in Australia where the interference by the Centre into the affairs of the units has been considerable.

Pandit Hirday Nath Kunzru (United Provinces : General) : May I interrupt my honourable Friend to ask whether he is aware that in Canada the power of the provinces is greater than it is supposed to be because of the decisions of the Privy Council?

Shri T. T. Krishnamachari : It only supports my statement of fact that the Indian Constitution, when it is passed, will either become fully federal or partially federal in actual practice over a period of time. It may be that if we are going to leave the field of authority for the Centre and the units completely undefined, the courts may interpret it

one way or the other. It is conceivable that if we say nothing about the exercise of the executive powers in the Concurrent List, the courts may interpret it one way or the other and the Constitution may become more federal or less federal as circumstances arise and the views of the judges in this regard and the decisions they arrive at. So, I think the interruption of my honourable Friend is without any force and I see no reason why I should answer it at greater length.

Sir, in regard to this question of executive action in regard to concurrent powers on which actually the objection is being taken, the position is that the Government of India Act has been framed with a certain amount of attention for precision. Professor K. C. Wheare, in a short but exhaustive work on Federal Government, has pointed out this particular fact--though he does not concede that the Government of India Act establishes a full federation--that that Act is one of the most notable examples of Federation where the powers of the Centre and the units are clearly defined and the three Lists are more or less exhaustive.

Sir, in regard to the provisions of this Concurrent List, the Draft Constitution or the 1935 Act are by no means unique. The fact is that the Australian Constitution practically leaves the entire field of legislative action in the Concurrent List save for a few that are enumerated in Section 52 of the Australian Constitution. Section 61 which is the corresponding section in the Australian Constitution to article 60 of our Draft Constitution says that the executive power extends to the execution and maintenance of the Constitution and of the laws of the Commonwealth. And an attempt by a State to interfere with the free exercise of the executive power by the Commonwealth was declared invalid in 1903 in a case D'Emden vs. Pedder. The position in regard to the distribution of powers in the Australian Constitution is however nebulous and assuredly the framers of the Government of India Act were conscious of that fact and that is why they have framed the three lists which are far more precise.

Sir, if you look back to what happened in Canada where passage of time has more or less delimited the precise scope of Federal and Provincial executive power, we find that there has been room for friction in various important matters. And in the Rowell-Sirois Report on Dominion-Provincial Relations, certain changes have been recommended. They have recommended that in the field of labour legislation particularly, and in the field of social services like Unemployment Insurance, etc., the power should be given to the Federation not only for the purpose of legislation which it possesses to some extent, but also in the field of executive action. With this background let me, Sir, now examine the position in the Government of India Act in regard to the allocation of powers under the Concurrent List in view of our experience of the last twelve years.

Sir, the Joint Select Committee in dealing with this particular aspect of the separation of powers and also in investing the Central and Provincial Governments with executive powers in respect thereof have been rather careful.

Sir, they say--

"We think the solution is to be found in drawing a distinction between subjects in the Concurrent List which on the one hand relate, broadly speaking, to matters of social and economic legislation, and those which, on the other hand relate mainly to matters of law and order, and personal rights and status. The latter from the larger class, and the enforcement of legislation on these subjects would, for the most part, be in the hands of the Courts of the Provincial authorities responsible for public prosecutions. There can clearly be no question of Federal directions being issued to the Courts, nor could such directions properly be issued to prosecuting authorities in the provinces. In these matters, therefore, we think that the Federal Government should have in law, as they could have in practice, no powers of administrative control. The other class of concurrent subject consists mainly of the regulation of mines, factories, employer's liability and workmen's compensation, trade unions, welfare of labour, industrial disputes, infectious diseases, electricity..... In respect of this class, we think that the Federal Government should, where necessary, have the power to issue directions for the enforcement of the law, but only to the extent provided by the Federal Act in question."

Sir, that was the plan envisaged in the Government of India Act. That was the reason why a sub-clause was added to Section 126, i.e., sub-clause (2), which gives power to the Centre to give executive directions in so far as the subjects covered by Part II of the Concurrent List is concerned. Sir, I want to tell my honourable Friends in this House that in actual practice we found that so far as Part II is concerned executive directions were not adequate to achieve the objects of the legislation undertaken by the Centre. Sir, it raised a very important problem. Who is to be ultimately responsible for carrying out the objects of such legislation in a responsible government? The provincial governments are responsible to the provincial legislatures and it has happened so far that the provincial executive has often said, "Oh, the Centre has given its directions, we have no funds, we have no administrative machinery, we do not know what to do and it is unfair that it should be our business to do the actual work in these matters when somebody else lays down the law." The present scheme in the Government of India Act is defective by reason of the fact that the field of executive responsibility blurs. We do not know where it begins and where it ends; and one of the reasons why this proviso has been put in which has been carefully worded, is that, where the Government of India want to lay the executive responsibility squarely on the shoulders of the provinces or the units, it can do so by not mentioning in their legislation that they are possessed of any executive power in regard to any particular legislation. This is a variation of the provision contemplated in Section 126 (2) and it is a wise variation in so far as the lines of demarcation are clearly laid down. The Government of India where it is possible or necessary, perhaps in the field of social legislation, in social insurance, unemployment and perhaps labour, will take over the executive responsibility by laying down in the related Acts that the executive authority shall be that of the Government of India, Where there is no specific provision the executive responsibility will be that of the provinces and the provincial ministries cannot shirk their responsibility for carrying out the objects of the legislation. Sir, I wish that my honourable Friend, Mr. Jagjivan Ram, who has been in charge of some pieces of welfare legislation, would speak on this subject, because times without number we have found that we have had to sail very close to colourable legislation in such matters. That, Sir, I think is a very valid reason, a reason which is dictated by experience, for us to put a provision of the nature of the proviso in clause (1) of this article which I can assure you, does not detract an iota from the federal character of this Draft Constitution. After all, what is a federal constitution? It is one that lays down precisely the field where the units are supreme and another field where the Centre is supreme. Where it is not possible to demarcate this clearly it has got to be done in some other manner where the responsibility will be precisely indicated, and this proviso to article 60 makes the constitution more federal than it would otherwise be. Therefore I think the objection of my honourable Friend, Pandit Hriday Nath Kunzru, is without any point; it is without any reference to the experience of the 1935 Act which has been gained during these twelve years; it is without reference to the theory and practice of federalism; it is without reference to the experience of Australia and Canada and therefore has got to be rejected.

Sir, I shall turn my attention to the other amendment, the originally imperfect amendment, which seeks to give greater powers to the provinces in regard to concurrent subject, and practically limits the powers of the Centre in the executive field to nothing, which was moved by my honourable Friend, Mr. K. T. M. Ahmad Ibrahim and ably supported by Mr. Muhammad Ismail and Mr. Pocker. Sir, the House will be aware that these honourable Members are fairly important people, particularly Mr. Muhammad Ismail who happens to be the President of the Muslim League in India and the virtual successor to Mr. Jinnah. When he makes a political statement, it cannot be dismissed as being something which is of no value. One of the reasons why the Government of India Act is so elaborate, one of the reasons why such great emphasis on provincial autonomy was laid in the past, one of the reasons why we in this country agreed to the Cabinet Statement of May 16, 1946, was the fact that the Muslim League wanted complete freedom of action in the provinces which it controlled. Sir, that circumstance no longer exists owing to the dissection of the country into two. That circumstance has now faded

into obscurity, and therefore it seems to me that my honourable Friend is simply starting the trouble from the beginning viz., the agitation that provinces should have greater powers when actually there is no attempt to fetter the powers of the provinces. If there is any opposition to this Draft Constitution, it is a political opposition, rather than an opposition to any particular feature of this Draft Constitution. My honourable Friends have warned us that we have a conscience, that we have to act according to that conscience. I may tell the honourable Members of this House that their conscience will not be affected in any way if they approve of article 50, as it stands, that they may rest assured that there will be no incursions into the freedom of action of the provinces and that really no real limitation of the executive power of the provinces is contemplated. Provincial opinion will be adequately represented in the Parliament to be: the *pros* and *cons* of each particular piece of legislation contemplated in this article will be adequately canvassed before the Centre is granted executive power in regard to any subject which falls in the Concurrent List. I might again draw the attention of the House to what was mentioned in the Joint Select Committee's report in respect of the 1935 Act that they did not contemplate that even in the matter of giving executive directions under Section 126 (2), it would be done right over the wishes of the provinces, because after all the Centre was not something apart from the provinces. Even in the future the Central Legislature will only consist of representatives of the units. In one House it will be representative of the unit legislatures. In the other House it will be representative of the people of the units. The Centre can have no existence in the future apart from the provinces or units and why therefore suspect the *bona fides* of that legislature and say that legislature will grant powers to the Centre in such a manner as would fetter the freedom of action of the units?

Sir, on the other hand, as I said once before, this proviso precisely delimits the functions of the Centre and the units. There will be no more ambiguity, no more blurring of responsibility. I feel that intrinsically the article is sound and the House will not, I have no doubt, be guided by the threats uttered by these appeals to conscience, the threat of the totalitarian state of things to come which my honourable Friends from Madras of the Muslim League think is going to come to pass. Sir, this article.....

B. Pocker Sahib Bahadur : Is it not a fact that whips are being issued over such questions?

Shri T. T. Krishnamachari : I have no desire to answer my honourable Friend. Whips may be issued. We know what is being done. It is a matter of convenience. If some of us do not congregate together and get through the work that is to come before the House by mutual agreement, I am afraid this House will have to sit for three or four years. By acting together some of us, not exactly the members of one Party but a number of people who act together are only expediting the framing of this Constitution for our country. Well, I can conceive that my honourable Friend does not want a constitution for this country. If that is his idea, well, he might object to the method by which we are carrying on the work. Sir, I think these allegations are without any point. The basis of the opposition is political. It has its origin in the fact that the Muslim League never wanted India to be a strong country, with a strong government. Therefore, Sir, I hope the House will dismiss all these vague threats and all these allegations and support the article before it.

The Honourable Dr. B. R. Ambedkar (Bombay : General) : Mr. Vice-President, Sir, I am sorry that I cannot accept either of the two amendments which have been moved to this proviso, but I shall state to the House very briefly the reasons why I am not in a position to accept these amendments. Before I do so, I think it is desirable that the House should know what exactly is the difference between the position as stated in the proviso and the two amendments which are moved to that proviso. Taking the proviso as it stands, it lays down two propositions. The first proposition is that generally the

authority to execute laws which relate to what is called the Concurrent field, whether the law is passed by the Central Legislature or whether it is passed by the Provincial or State Legislature, shall ordinarily apply to the Province or the State. That is the first proposition which this proviso lays down. The second proposition which the proviso lays down is that if in any particular case Parliament thinks that in passing a law which relates to the Concurrent field the execution ought to be retained by the Central Government, Parliament shall have the power to do so. Therefore, the position is this; that in all cases, ordinarily, the executive authority so far as the Concurrent List is concerned will rest with the units, the Provinces as well as the States. It is only in exceptional cases that the Centre may prescribe that the execution of a Concurrent law shall be with the Centre. The amendments which have been moved are different in their connotation. The first amendment is that the Centre should have nothing to do with regard to the administration of a law which relates to matters placed in the Concurrent field. The second amendment which has been moved by my honourable Friend, Pandit Kunzru, although it does not permit the Centre to take upon itself the execution of a law passed in the Concurrent field, is prepared to permit the Centre to issue directions, with regard to matters falling within Items 25 and 37, to the Provincial Governments. That is the difference between the two amendments.

The first amendment really goes much beyond the present position as set out in the Government of India Act, 1935. As honourable Members know, even under the present Government of India Act, 1935, it is permissible for the Central Government at least to issue directions to the Provinces, setting out the method and manner in which a particular law may be carried out. The first amendment I say even takes away that power which the present Government of India Act, 1935, gives to the Centre. The amendment of my honourable Friend, Pandit Kunzru wishes to restore the position back to what is now found in the Government of India Act, 1935.

Pandit Hirday Nath Kunzru : I go a little beyond that. The second part of my amendment goes beyond any power which the Government of India now enjoy under the Government of India Act, 1935.

The Honourable Dr. B.R. Ambedkar: Well, that may be so. That I said is the position as I understand it. Now, Sir, I will deal with the major amendment which wants to go back to a position where the Centre will not even have the power to issue directions, and for that purpose, it is necessary for me to go into the history of this particular matter. It must have been noticed--and I say it merely, as a matter of fact and without any kind of insinuation in it at all,--that a large number of members who have spoken in favour of the first amendment are mostly Muslims. One of them, my Friend Mr. Pocker, thought that it was a sacred duty of every Member of this House to oppose the proviso. I have no idea.....

B. Pocker Sahib Bahadur : I have not said that, Sir. I only said that it is the duty of every Member to act according to his conscience.

The Honourable Dr. B. R. Ambedkar : By which I mean, I suppose that every Member who has conscience must oppose the proviso. It cannot mean anything else. (Laughter.)

B. Pocker Sahib Bahadur : Certainly not.

The Honourable Dr. B. R. Ambedkar : Now, Sir, this peculiar phenomenon of Muslim members being concerned in this particular proviso, as I said, has a history behind it, and I am sorry to say that my honourable Friend, Pandit Kunzru forgot altogether that history; I have no doubt about it that he is familiar with that history as I am myself.

This matter goes back to the Round Table Conference which was held in 1930. Everyone who is familiar with what happened in the Round Table Conference, which was held in 1930 will remember that the two major parties who were represented in that Conference, namely the Muslim League and the Indian National Congress, found themselves at loggerheads on many points of constitutional importance.

One of the points on which they found themselves at loggerheads was the question of provincial autonomy. Of course, it was realised that there could not be complete provincial autonomy in a Constitution which intended to preserve the unity of India, both in the matter of legislation and administration. But the Muslim League took up such an adamant attitude on this point that the Secretary of State had to make certain concessions in order to reconcile the Muslim League to the acceptance of some sort of responsible Government at the Centre. One of the things which the then Secretary of State did was to introduce this clause which is contained in Section 126 of the Government of India Act which stated that the authority of the Central Government so far as legislation in the concurrent field was concerned was to be strictly limited to the issue of directions and it should not extend to the actual administration of the matter itself. The argument was that there would have been no objection on the part of the Muslim League to have the Centre administer a particular law in the concurrent field if the Central Government was not likely to be dominated by the Hindus. That was so expressly stated, I remember, during the debates in the Round Table Conference. It is because the Muslim League Governments which came into existence in the provinces where the Muslims formed a majority such as for instance in the North-West Frontier Province, the Punjab, Bengal and to some extent Assam, did not want it in the field which they thought exclusively belonged to them by reason of their majority, that the Secretary of State had to make this concession. I have no doubt about it that this was a concession. It was not an acceptance of the principle that the Centre should have no authority to administer a law passed in the concurrent field. My submission therefore is that the position stated in Section 126 of the Government of India Act, 1935, is not to be justified on principle; it is justified because it was a concession made to the Muslims. Therefore, it is not proper to rely upon Section 126 in drawing any support for the arguments which have been urged in favour of this amendment.

Sir, that the position stated in Section 126 of the Government of India Act was fundamentally wrong was admitted by the Secretary of State in a subsequent legislation which the Parliament enacted just before the war was declared. As honourable Members will remember, Section 126 was supplemented by Section 126-A by a law made by Parliament just before the war was declared. Why was it that the Parliament found it necessary to enact Section 126-A? As you will remember Section 126-A is one of the most drastic clauses in the Government of India Act so far as concurrent legislation is concerned. It permits the Central Government to legislate not only on provincial subjects, but it permits the Central Government to take over the administration both of provincial as well as concurrent subjects. That was done because the Secretary of State felt that at least in the war period, Section 126 might prove itself absolutely fatal to the administration of the country. My submission therefore is that Section 126-A which was enacted for emergency purposes is applicable not only for an emergency, but for ordinary purposes and ordinary times as well. My first submission to the House therefore is this: that no argument that can be based on the principle of Section 126 can be valid in these days for the circumstances which I have mentioned.

Coming to the proviso,.....

B. Pocker Sahib Bahadur : With your permission, Sir, may I just correct my learned Friend? This Constitution is being framed for the present Indian Union in which there is not a single province in which the Muslims are in a majority and therefore there is absolutely no point in saying that it is the Muslim members that are moving this

amendment in the interests of the Muslim League. It is a very misleading argument based on a misconception of fact and the Honourable Minister for Law forgets the fact that we in the present Indian Union, Muslims as such, are not in the least to be particularly benefited by this amendment.

The Honourable Dr. B. R. Ambedkar : I was just going to say that although that is a statement of fact which I absolutely accept, my complaint is that the Muslim members have not yet given up the philosophy of the Muslim League which they ought to. They are repeating arguments which were valid when the Muslim League was there and the Muslim Provinces were there. They have no validity now. I cannot understand why the Muslims are repeating them (*Interruption.*)

Mr. Vice-President : Order, order.

The Honourable Dr. B. R. Ambedkar : I was saying that there is no substance in the argument that we are departing from the provision contained in Section 126 of the Government of India Act. As I said, that section was not based upon any principle at all.

In support of the proviso, I would like to say two things. First, there is ample precedent for the proposition enshrined so to say in this proviso. My honourable friend M. T. T. Krishnamachari has dealt at some length with the position as it is found in various countries which have a federal Constitution. I shall not therefore labour that point again. But I would just like to make one reference to the Australian Constitution. In the Australian Constitution we have also what is called a concurrent field of legislation. Under the Australian Constitution it is open to the Commonwealth Parliament in making any law in the concurrent field to take upon itself the authority to administer. I shall just quote one short paragraph from a well known book called "Legislative and Executive Power in Australia" by a great lawyer Mr. Wynes. This is what he says:

"Lastly, there are Commonwealth Statutes. Lefroy states that executive power is derived from legislative power unless there be some restraining enactment. This proposition is true, it seems, in Canada, where the double enumeration commits to each Government exclusive legislative powers, but is not applicable in Australia. Where the legislative power of the Commonwealth is exclusive--e.g., in the case of defence--the executive power in relation to the subject of the grant inheres in the Commonwealth, but in respect of concurrent powers, the executive function remains with the States until the Commonwealth legislative power is exercised."

Which means that in the concurrent field, the executive authority remains with the States so long as the Commonwealth has not exercised the power of making laws which it had. The moment it does the execution of that law is automatically transferred to the Commonwealth. Therefore, comparing the position as set out in the proviso with the position as it is found in Australia, I submit that we are not making any violent departure from any federal principle that one may like to quote. Now, Sir, my second submission is that there is ample justification for a proviso of this sort, which permits the Centre in any particular case to take upon itself the administration of certain laws in the Concurrent list. Let me give one or two illustrations. The Constituent Assembly has passed article 11, which abolishes untouchability. It also permits Parliament to pass appropriate legislation to make the abolition of untouchability a reality. Supposing the Centre makes a law prescribing a certain penalty, certain prosecution for obstruction caused to the untouchables in the exercising of their civic rights. Supposing a law like that was made, and supposing that in any particular province the sentiment in favour of the abolition of untouchability is not as genuine and as intense nor is the Government interested in seeing that the untouchables have all the civic rights which the Constitution guarantees, is it logical, is it fair that the Centre on which so much responsibility has been cast by the Constitution in the matter of untouchability, should merely pass a law and sit with

folded hands, waiting and watching as to what the Provincial Governments are doing in the matter of executing all those particular laws? As everyone will remember, the execution of such a law might require the establishing of additional police, special machinery for taking down, if the offence was made cognizable, for prosecution and for all costs of administrative matters without which the law could not be made good. Should not the Centre which enacts a law of this character have the authority to execute it? I would like to know if there is anybody who can say that on a matter of such vital importance, the Centre should do nothing more than enact a law.

Let me give you another illustration. We have got in this country the practice of child marriage against which there has been so much sentiment and so much outcry. Laws have been passed by the Centre. They are left to be executed by the provinces. We all know what the effect has been as a result of this dichotomy between legislative authority resting in one Government and executive authority resting in the other. I understand (and I think my friend Pandit Bharagava who has been such a staunch supporter of this matter has been stating always in this House) that notwithstanding the legislation, child marriages are as rampant as they were. Is it not desirable that the Centre which is so much interested in putting down these evils should have some authority for executing laws of this character? Should it merely allow the provinces the liberty to do what they liked with the legislation made by Parliament with such intensity of feeling and such keen desire of putting it into effect? Take, for instance, another case--Factory Legislation. I can remember very well when I was the Labour Member of the Government of India cases after cases in which it was reported that no Provincial Government or at least a good many of them were not prepared to establish Factory Inspectors and to appoint them in order to see that the Factory Laws were properly executed. Is it desirable that the labour legislations of the Central Government should be mere paper legislations with no effect given to them? How can effect be given to them unless the Centre has got some authority to make good the administration of laws which it makes? I therefore submit that having regard to the cases which I have cited--and I have no doubt honourable Members will remember many more cases after their own experience--that a large part of legislation which the Centre makes in the concurrent field remains merely a paper legislation, for the simple reason that the Centre cannot execute its own laws. I think it is a crying situation which ought to be rectified which the proviso seeks to do.

There is one other point which I would like to mention and it is this. Really speaking, the Provincial Government sought to welcome this proviso because, there is a certain sort of financial anomaly in the existing position. For the Centre to make laws and leave to provinces the administrations means imposing certain financial burdens on the provinces which is involved in the employment of the machinery for the carrying out of those laws. When the Centre takes upon itself the responsibility of the executing of those laws, to that extent the provinces are relieved of any financial burden and I should have thought from that point of view this proviso should be a welcome additional relief which the provinces seek so badly. I therefore submit, Sir, that for the reasons I have given, the proviso contains a principle which this House would do well to endorse. (Cheers).

Mr. Vice-President : I shall now put the amendments to vote.

The question is:

"That with reference to amendment No. 1289 of the List of Amendments, in sub-clause (a) of clause (1) of article 60, between the words 'Parliament has' and the word 'power', the word 'exclusive' be inserted."

The amendment was negatived.

Mr. Vice-President : The question is:

"That with reference to amendment No. 1280 after clause (1) of article 60, the words 'or in any law made by Parliament' be deleted."

The amendment was negatived.

Mr. Vice-President : The question is:

"That with reference to amendment No. 1289 after clause (1) of article 60 the following clause be inserted:

'(1a) Any power of Parliament to make laws for a State with respect to any matter specified in entries 25 to 37 of the Concurrent List shall include power to make laws as respects a State conferring powers and imposing duties, or authorising the conferring of powers and the imposition of duties upon the Government of India or officers and authorities of the Government of India as respects that matter, notwithstanding that it is one with respect to which the Legislature of the State also has power to make laws.' "

The amendment was negatived.

Mr. Vice-President : The question is:

"That the proviso to clause (1) of article 60 be deleted."

The amendment was negatived.

Mr. Vice-President : The question is:

"That article 60 stand part of the Constitution.

The motion was adopted.

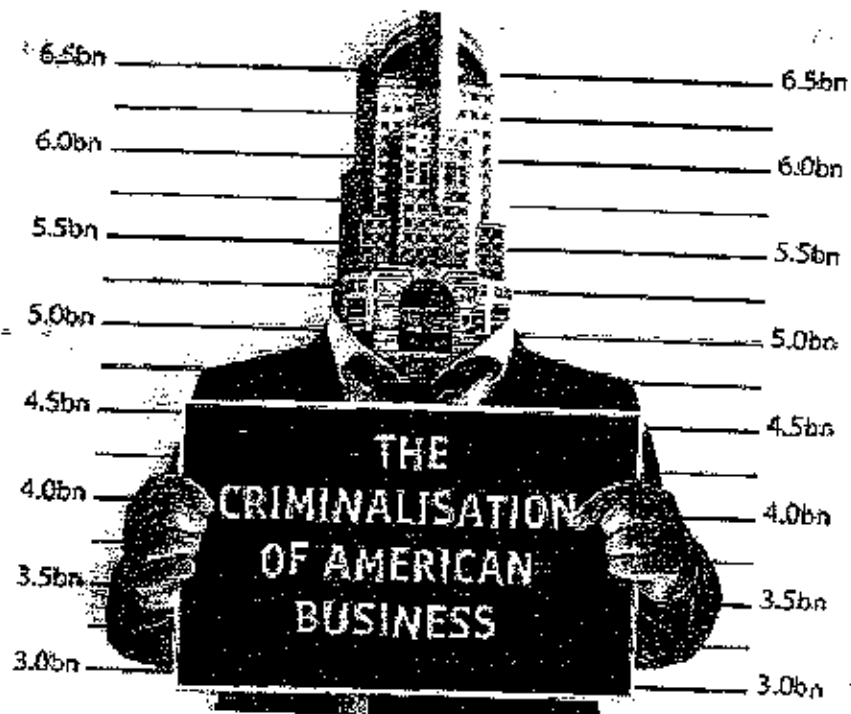
Article 60 was added to the Constitution.

Corporate settlements in the United States

The criminalisation of American business

Companies must be punished when they do wrong, but the legal system has become an extortion racket

Aug 30th 2014 | From the print edition



Jan Gotschalg

00:00

PLAY

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MENU

WHO runs the world's most lucrative shakedown operation? The Sicilian mafia? The People's Liberation Army in China? The kleptocracy in the Kremlin? If you are a big business, all these are less menacing than America's regulatory system. The formula is simple: find a large company that may (or may not) have done something wrong; threaten its managers with commercial ruin, preferably with criminal charges; force them to use their shareholders' money to pay an enormous fine to drop the charges in a secret settlement (so nobody can check the details). Then repeat with another large company.

The amounts are mind-boggling. So far this year, Bank of America, JPMorgan Chase, Citigroup, Goldman Sachs and other banks have coughed up close to \$50 billion for supposedly misleading investors in mortgage-backed bonds. BNP Paribas is paying \$9 billion over breaches of American

sanctions against Sudan and Iran. Credit Suisse, UBS, Barclays and others have settled for billions more, over various accusations. And that is just the financial institutions. Add BP's \$13 billion in settlements since the Deepwater Horizon oil spill, Toyota's \$1.2 billion settlement over alleged faults in some cars, and many more.

In many cases, the companies deserved some form of punishment: BNP Paribas disgustingly abetted genocide, American banks fleeced customers with toxic investments and BP despoiled the Gulf of Mexico. But justice should not be based on extortion behind closed doors. The increasing criminalisation of corporate behaviour in America is bad for the rule of law and for capitalism (see article (<http://www.economist.com/news/briefing/21614101-corporate-america-finding-it-ever-harder-stay-right-side-law-mammoth-guilt>)).

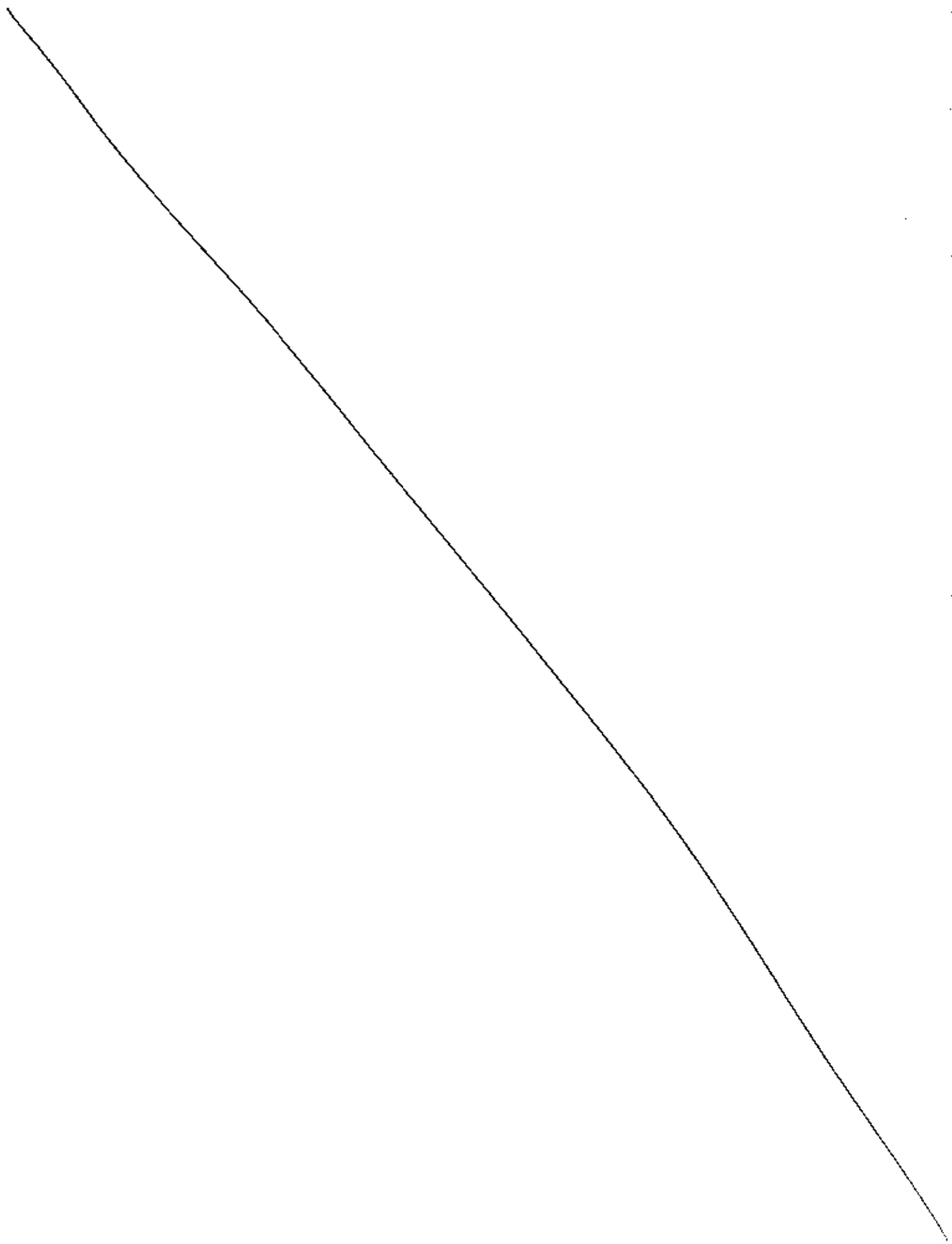
No soul, no body? No problem

Until just over a century ago, the idea that a company could be a criminal was alien to American law. The prevailing assumption was, as Edward Thurlow, an 18th-century Lord Chancellor of England, had put it, that corporations had neither bodies to be punished nor souls to be condemned, and thus were incapable of being "guilty". But a case against a railway in 1909, for disobeying price controls, established the principle that companies were responsible for their employees' actions, and America now has several hundred thousand rules that carry some form of criminal penalty. Meanwhile, ever since the 1960s, civil "class-action suits" have taught managers the wisdom of seeking rapid, discreet settlements to avoid long, expensive and embarrassing trials.

The drawbacks of America's civil tort system are well known. What is new is the way that regulators and prosecutors are in effect conducting closed-door trials. For all the talk of public-spiritedness, the agencies that pocket the fines have become profit centres: Rhode Island's bureaucrats have been on a spending spree courtesy of a \$500m payout by Google, while New York's governor and attorney-general have squabbled over a \$613m settlement from JPMorgan. And their power far exceeds that of criminal lawyers. Not only are regulators in effect judge and jury as well as plaintiff in the cases they bring; they can also use the threat of the criminal law.

Financial firms rarely survive being indicted on criminal charges. Few want to go the way of Drexel Burnham Lambert or E.F. Hutton. For their managers, the threat of personal criminal charges is career-ending ruin. Unsurprisingly, it is easier to empty their shareholders' wallets. To anyone who asks, "Surely these big firms wouldn't pay out if they knew they were innocent?", the answer is: oddly enough, they might.

Perhaps the most destructive part of it all is the secrecy and opacity. The public never finds out the full facts of the case, nor discovers which specific people—with souls and bodies—were to blame. Since the cases never go to court, precedent is not established, so it is unclear what exactly is illegal. That enables future shakedowns, but hurts the rule of law and imposes enormous costs. Nor is it clear how the regulatory booty is being carved up. Andrew Cuomo, the governor of New York, who is up for re-



election, reportedly intervened to increase the state coffers' share of BNP's settlement by \$1 billion, threatening to wield his powers to withdraw the French bank's licence to operate on Wall Street. Why a state government should get any share at all of a French firm's fine for defying the federal government's foreign policy is not clear.

I'll see you in court—in another life

The best thing would be for at least some of these cases to go to proper trial: then a few of the facts would spill out. That is hardly in the interests of the regulators or their managerial prey, but shareholders at least should push for that. Two senators, Elizabeth Warren and Tom Coburn, have put forward a bill to make the terms of such settlements public, which would be a start. Prosecutors and regulators should also be required to publish the reasons why, given the gravity of their initial accusations, they did not take the matter all the way to court.

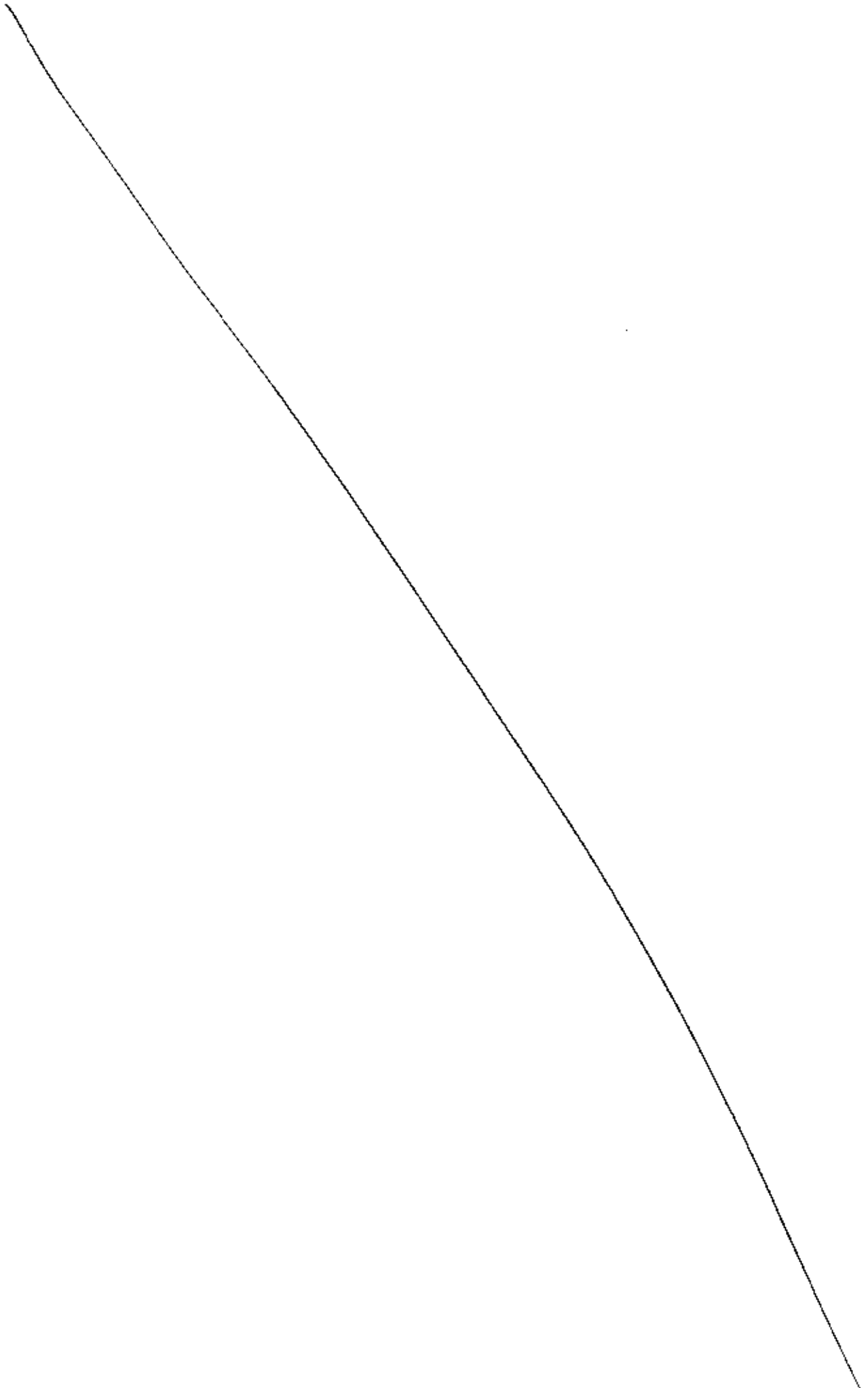
In the longer term, two changes are needed to the legal system. The first is a much clearer division between the civil and criminal law when it comes to companies. Most cases of corporate malfeasance are to do with money and belong in civil courts. If in the course of those cases it emerges that individual managers have broken the criminal law, they can be charged.

The second is a severe pruning of the legal system. When America was founded, there were only three specified federal crimes—treason, counterfeiting and piracy. Now there are too many to count. In the most recent estimate, in the early 1990s, a law professor reckoned there were perhaps 300,000 regulatory statutes carrying criminal penalties—a number that can only have grown since then. For financial firms especially, there are now so many laws, and they are so complex (witness the thousands of pages of new rules resulting from the Dodd-Frank reforms), that enforcing them is becoming discretionary.

This undermines the predictability and clarity that serve as the foundations for the rule of law, and risks the prospect of a selective—and potentially corrupt—system of justice in which everybody is guilty of something and punishment is determined by political deals. America can hardly tut-tut at the way China's justice system applies the law to companies in such an arbitrary manner when at times it seems almost as bad itself.

From the print edition: Leaders

-405-



COMPARATIVE STATEMENT OF THE CENTRAL ACTS RECOMMENDED FOR REPEAL BY THE 20TH LAW COMMISSION IN ITS 248TH REPORT (12TH SEPTEMBER, 2014) AND 249TH REPORT (13TH OCTOBER, 2014) VIS-A-VIS P.C.JAIN COMMISSIONS (1998) RECOMMENDATION AND THE COMPENDIUM OF 101 LAWS TO BE REPEALED ISSUED BY THE CENTRE FOR CIVIL SOCIETY ON 2ND OCTOBER, 2014.

Sl.No.	Laws recommended for repeal in Chapter 4 of the 248th Report of the Twentieth Law Commission	
1.	The Bengal Districts Act, 1836 (21 of 1836)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.10).
2.	The Bengal Bonded Warehouse Association Act, 1838 (5 of 1838)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No. 7).
3.	The Bengal Bonded Warehouse Association Act, 1854 (5 of 1854)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.8).
4.	The Forfeited Deposits Act, 1850 (25 of 1850)	The Centre for Civil Society at Sl. No. 1 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
5.	The Sheriffs' Fees Act, 1852 (8 of 1852)	The Centre for Civil Society at Sl. No. 2 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
6.	The Sonthal Parganas Act, 1855 (37 of 1855)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.94).
7.	The Sonthal Parganas Act, 1857 (10 of 1857)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.95).
8.	The Oriental Gas Company Act, 1857 (5 of 1857)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.28).
9.	The Oriental Gas Company, 1867 (11 of 1867)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.29).
10.	The Madras Uncovenanted Officers' Act, 1857 (7 of 1857)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.65).
11.	The Howrah Offences Act, 1857 (21 of 1857)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.48).
12.	The Calcutta Pilots Act, 1859 (12 of 1859)	
13.	The Government Seal Act, 1862 (3 of 1862)	
14.	The Waste-Lands (Claims) Act, 1863 (23 of 1863)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.101).
15.	The Oudh Sub-Settlement Act, 1866 (26 of 1866)	The Centre for Civil Society at Sl. No. 8 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
16.	The Converts' Marriage Dissolution Act, 1866 (21 of 1866)	This Act was recommended for review by the PC Jain Commission Report (Appendix-D, Sl. No.12).
17.	The Sarais Act, 1867 (22 of 1867)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.88).
18.	The Ganges Tolls Act, 1867 (1 of 1867)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.34).
19.	The Oudh Estates Act, 1869 (1 of 1869)	The Centre for Civil Society at Sl. No. 9 of its compendium of 100 laws to be repealed <i>inter alia</i>

		suggested for repeal of this Act.
20.	The Oudh Taluqdars' Relief Act,1870 (24 of 1870)	The Centre for Civil Society at Sl. No. 10 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
21.	The Dehra Dun Act,1871 (21 of 1871)	
22.	The Punjab Laws Act,1872 (4 of 1872)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.111).
23.	The Foreign Recruiting Act,1874 (4 of 1874)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.85).
24.	The Laws Local Extent Act,1874 (15 of 1874)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.68).
25.	The Central Provinces Laws Act,1875 (20 of 1875)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.111).
26.	The Oudh Laws Act,1876 (18 of 1876)	The Centre for Civil Society at Sl. No. 13 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
27.	The Dramatic Performances Act,1876 (19 of 1876)	The Centre for Civil Society at Sl. No. 98 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
28.	The Elephants' Preservation Act,1879 (6 of 1879)	The Centre for Civil Society at Sl. No. 15 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
29.	The Dekkhan Agriculturists' Relief Act,1879 Act, 17 of 1879	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.40).
30.	The Raipur and Khattra Laws Act,1879 (19 of 1879)	
31.	The Fort William Act,1881 (13 of 1881)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.43).
32.	The Agriculturists' Loans Act,1884 (12 of 1884)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.1).
33.	The Births, Deaths and Marriages Registration Act,1886 (6 of 1886)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.23).
34.	The King of Oudh's Estate Act,1887 (19 of 1887)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.103).
35.	The King of Oudh's Estate,1888 (14 of 1888)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.104).
36.	The United Provinces Act,1890 (20 of 1890)	
37.	The Reformatory Schools Act,1897 (8 of 1897)	The Centre for Civil Society at Sl. No. 18 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
38.	The Live-stock Importation Act,1898 (9 of 1898)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.1).
39.	The Prevention of Seditious Meetings Act,1911 (10 of 1911)	The Centre for Civil Society at Sl. No. 99 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
40.	The Bengal, Bihar and Orissa and Assam Laws Act,1912 (? of 1912)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.6).
41.	The Wild Birds and Animals Protection Act,1912 (8 of 1912)	The Centre for Civil Society at Sl. No. 19 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.

42.	The Destructive Insects and Pests Act, 1914 (2 of 1914).	
43.	The King of Oudh's Estate Validation Act, 1917 (12 of 1917)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.105).
44.	The Police (Incitement to Disaffection) Act,1922 (22 of 1922)	The Centre for Civil Society at Sl. No. 83 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
45.	The Sheriff of Calcutta (Power of Custody) Act,1931 (20 of 1931)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.90).
46.	The Public Suits Validation Act,1932 (11 of 1932)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.82).
47.	The Bengal Suppression of Terrorist Outrages (Supplementary) Act,1932 (24 of 1932)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.19).
48.	The Children (Pledging of Labour) Act,1933 (2 of 1933)	The Centre for Civil Society at Sl. No. 59 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
49.	The Assam Criminal Law Amendment (Supplementary) Act,1934 (27 of 1934)	The Centre for Civil Society at Sl. No. 23 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
50.	The Bangalore Marriages Validating Act,1936 (16 of 1936)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.147).
51.	The Berar Laws Act,1941 (4 of 1941)	This Act was recommended to be repealed by the Law Commission in its 148 th Report.
52.	The Railways (Local Authorities' Taxation) Act,1941 (25 of 1941)	
53.	The War Injuries (Compensation Insurance) Act,1943 (23 of 1943)	
54.	The Junagadh Administration (Property) Act,1948 (26 of 1948)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.52).
55.	The Continuance of Legal Proceedings Act,1948 (38 of 1948)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.26). Law Commission also recommended for its repeal in its 96 th Report.
56.	The Mangrol and Manavadar (Administration of Property) Act,1949 (2 of 1949)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.66).
57.	The Delhi Hotels (Control of Accommodation) Act,1949 (24 of 1949)	The Centre for Civil Society at Sl. No. 71 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act. Attention is also drawn to the fact that a Bill to repeal the said Act is pending in the Rajya Sabha.
58.	The Companies (Donations to National Funds) Act,1951 (54 of 1951)	This Act was recommended to be repealed by the Law Commission in its 159 th Report.
59.	The Indian Independence	The Centre for Civil Society at Sl. No. 30 of its

	Pakistan Courts (Pending Proceedings) Act, 1952 (9 of 1952)	compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
60.	The Chandernagore (Merger) Act, 1954 (36 of 1954)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix B, Sl. No.11).
61.	The Newspaper (Price and Page) Act, 1956 (45 of 1956)	The Centre for Civil Society at Sl. No. 101 of its compendium of 100 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
62.	The Newspaper (Price and Page) Continuance Act, 1961 (36 of 1961)	
63.	The Young Persons (Harmful Publications) Act, 1956 (93 of 1956)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.19).
64.	The Women's and Children's Institutions (Licensing) Act, 1956 (105 of 1956)	
65.	The Orissa Weights and Measures (Delhi Repeal) Act, 1958 (57 of 1958)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.73).
66.	The Travancore-Cochin Vehicles Taxation (Amendment and Validation) Act, 1959 (42 of 1959)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.165).
67.	The Mahendra Pratap Singh Estates (Repeal) Act, 1960 (48 of 1960)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.106).
68.	The Land Acquisition (Amendment) Act, 1962 (31 of 1962)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.66).
69.	The Land Acquisition (Amendment and Validation) Act, 1967 (13 of 1967)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.67).
70.	The Delhi and Ajmer Rent Control (Nasirabad Cantonment Repeal) Act, 1968 (49 of 1968)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.135).
71.	The Parliamentary Proceedings (Protection of Publication) Repeal Act, 1976 (28 of 1976)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.70).
72.	The Shipping Development Fund Committee (Abolition) Act, 1986 (66 of 1986)	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.12).
	Sl. No. of 249th Report	Laws recommended for repeal in the 249th Report
73.	1. The Bengal Indigo Contracts Act, Act 10 of 1836	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.13).
74.	2. Madras Public Property (Malversation) Act, Act 36 of 1837	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.62).

75.	3.	Madras Rent and Revenue Sales Act, Act 7 of 1839	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.63).
76.	4.	Bengal Land Revenue Sales Act, Act 12 of 1841	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.15).
77.	5.	Revenue, Bombay, Act 13 of 1842	It was mentioned in the report that the said Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5), but the same was not recommended by the PC Jain Commission.
78.	6.	Revenue Commissioners, Bombay, Act 17 of 1842	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.86).
79.	7.	Sales of Land for Revenue Arrears, Act 1 of 1845	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.87).
80.	8.	Boundary-marks, Bombay, Act 3 of 1846	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.28).
81.	9.	Bengal Alluvion and Diluvion Act, Act 9 of 1847	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.5).
82.	10.	Madras Revenue Commissioner Act, Act 10 of 1849	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.64).
83.	11.	Calcutta Land Revenue Act, Act 23 of 1850	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.31).
84.	12.	Improvement in Towns Act, Act 26 of 1850	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No. 49).
85.	13.	Madras City Land Revenue Act, Act 12 of 1851	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.57).
86.	14.	Bombay Rent-free Estates Act, Act 11 of 1852	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.26).
87.	15.	Rent Recovery Act, Act 6 of 1853	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.74).
88.	16.	Shore Nuisances (Bombay and Kolaba) Act, Act 11 of 1853	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.91).
89.	17.	Police (Agra) Act, Act 16 of 1854	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.79).
90.	18.	Bengal Embankment Act, Act 32 of 1855	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.11).
91.	19.	Calcutta Land	This Act has also been recommended for repeal by the PC

		Revenue Act, Act 18 of 1856	Jain Commission Report (Appendix A-5, Sl. No.31).
92.	20.	Bengal Chaukidari Act, Act 20 of 1856	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.9).
93.	21.	Tobacco Duty (Town of Bombay) Act, Act 4 of 1857	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.98).
94.	22.	Madras Compulsory Labour Act, Act 1 of 1858	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.59).
95.	23.	Bengal Ghatwali Lands Act, Act 5 of 1859	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.12).
96.	24.	Bengal Rent Act, Act 10 of 1859	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.18).
97.	25.	Bengal Land Revenue Sales Act, Act 11 of 1859	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.16).
98.	26.	Madras District Police Act, Act 24 of 1859	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.60).
99.	27.	Stage-Carriages Act, Act 16 of 1861	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.96).
100.	28.	Excise (Spirits) Act, Act 16 of 1863	
101.	29.	Partition of Revenue-paying Estates Act, Act 19 of 1863	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.75).
102.	30.	Corauers Act, Act 4 of 1871	This Act was also recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.39). Law Commission in its 206 th Report also recommended for repeal of this Act and re-enactment of a new legislation.
103.	31.	Bengal Sessions Courts Act, Act 19 of 1871	This Act has already been repealed by the Repealing and Amending Act, 1903 (1 of 1903).
104.	32.	North-Western Provinces Village and Road Police Act, Act 16 of 1873	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.72).
105.	33.	Indian Law Reports Act, Act 18 of 1875	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.23).
106.	34.	Chota Nagpur Encumbered Estates Act, Act 6 of 1876	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.36).

107.	35.	Bombay Municipal Debentures Act, Act 15 of 1876	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.25).
108.	36.	Broach and Kaira Incumbered Estates Act, Act 14 of 1877	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.29).
109.	37.	Hackney Carriage Act, Act 14 of 1879	The Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.47).
110.	38.	Legal Practitioners' Act, Act 18 of 1879	This Act has been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.69).
111.	39.	Central Provinces Land Revenue Act, Act 18 of 1881	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.34).
112.	40.	Madras Forest (Validation) Act, Act 21 of 1882	This Act has been recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.61).
113.	41.	Bikrama Singh's Estates Act, Act 10 of 1883	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.102).
114.	42.	Land Improvement Loans Act, Act 19 of 1883	
115.	43.	Punjab District Boards Act, Act 20 of 1883	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.85). The Law Commission in its 249 th report has recommended that the Central Government should write to the State of Punjab seeking clarification on whether this Act is still in use.
116.	44.	Punjab Tenancy Act, Act 16 of 1887	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.113). The Law Commission in its 249 th report has recommended that the Central Government should write to the State of Punjab seeking clarification on whether this Act is still in use.
117.	45.	Punjab Land Revenue Act, Act 17 of 1887	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.110). The Law Commission in its 249 th report has recommended that the Central Government should write to the State of Punjab seeking clarification on whether this Act is still in use.
118.	46.	Police Act, Act 3 of 1888	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.77).
119.	47.	City of Bombay Municipal	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.37).

		(Supplementary) Act, Act 12 of 1888	
120.	48.	Excise (Malt Liquors) Act, Act 13 of 1890	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.57).
121.	49.	Easements (Extending) Act, Act 8 of 1891	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.84).
122.	50.	Murshidabad Act, Act 15 of 1891	Recommended to be removed from the list of Acts in force as this Act has been repealed by the West Bengal Murshidabad Estate (Trust) Act, 1963
123.	51.	Marriages Validation Act, Act 2 of 1892	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.159).
124.	52.	Bengal Military Police Act, Act 5 of 1892	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.17).
125.	53.	Government Management of Private Estates Act, Act 10 of 1892	It has been recommended for repeal by PC Jain Commission also in its Appendix A-5, Sl. No.46.
126.	54.	Porahat Estate Act, Act 2 of 1893	
127.	55.	Amending Act, Act 5 of 1897	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.39).
128.	56.	Indian Share Titles Act, Act 14 of 1897	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.62).
129.	57.	Lepers Act, Act 3 of 1898	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.56).
130.	58.	Central Provinces Tenancy Act, Act 11 of 1898	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.35).
131.	59.	Central Provinces Court of Wards Act, Act 24 of 1899	This Act has also been recommended for repeal by the PC Jain Commission Report in its Appendix A-5, Sl. No.32.
132.	60.	Amending Act, Act 11 of 1901	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.40).
133.	61.	Indian Tramways Act, Act 4 of 1902	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.51).
134.	62.	Amending Act, Act 1 of 1903	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.41).
135.	63.	Indian Criminal Law Amendment Act, Act 14 of 1908	
136.	64.	Co-operative Societies Act, Act 2 of 1912	
137.	65.	Bengal, Bihar and Orissa and Assam	This Act was recommended for repeal by the PC Jain Commission Report. This Act was recommended to be

		Laws Act, Act 7 of 1912	Commission Report (Appendix A-5, Sl. No.6).	repealed in the Law Commission in its 248 th Report (1 st Interim Report) has recommended for repeal mentioning the category as State reorganisation and extension of laws. The Law Commission in its 249 th Report (2 nd Interim Report) again recommended this Act to be repealed in consultation with the State.
138.	66.	Delhi Laws Act, Act 13 of 1912		
139.	67.	Local Authorities Loans Act, Act 9 of 1914	This Act was recommended for repeal by the PC Jain Commission Report (Appendix A-5, Sl. No.53).	
140.	68.	Delhi Laws Act, Act 7 of 1915		
141.	69.	Scheduled Areas (Assimilation of Laws) Act, Act 37 of 1951	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.105).	
142.	70.	Railway Companies (Emergency Provisions) Act, Act 51 of 1951	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.71).	
143.	71.	Scheduled Areas (Assimilation of Laws) Act, Act 16 of 1953	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.106).	
144.	72.	Lushai Hills District (Change of Name) Act, Act 18 of 1954	This Act has also been recommended for review by the PC Jain Commission Report (Appendix B, Sl. No.19).	
145.	73.	Absorbed Areas (Laws) Act, Act 20 of 1954	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.110).	
146.	74.	Shillong (Rifle Range Umlong) Cantonments Assimilation of Laws Act, Act 31 of 1954	This Act has also been recommended for repeal by the PC Jain Commission Report (Appendix A-1, Sl. No.107).	
147.	75.	Legislative Assembly of Nagaland (Change in Representation) Act, Act 61 of 1968	This Act has also been recommended for review by the PC Jain Commission Report (Appendix B, Sl. No.18).	

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148.	76.	Levy Sugar Price Equalisation Fund Act, Act 31 of 1976	The Centre for Civil Society at Sl. No. 79 of its compendium of 101 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
149.	77.	Indian Iron and Steel Company (Acquisition of Shares) Act, Act 89 of 1976	The Centre for Civil Society at Sl. No. 44 of its compendium of 101 laws to be repealed <i>inter alia</i> suggested for repeal of this Act.
151.	Under Chapter 3 at Sl. Nos. 1 to 11	Recommended for repeal of 11 War Time Permanent Ordinances.	These Permanent War Time Ordinances were also been recommended for repeal by the PC Jain Commission Report (Appendix A-4).

PART V
THE UNION

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CHAPTER I

THE EXECUTIVE

The President and Vice-President

The President of India.

Art. 52. There shall be a President of India.

Executive power of the Union.

Art. 53. (1) The executive power of the Union shall be vested in the President and shall be exercised by him either directly or through officers subordinate to him in accordance with this Constitution.

(2) Without prejudice to the generality of the foregoing provision, the supreme command of the Defence Forces of the Union shall be vested in the President and the exercise thereof shall be regulated by law.

(3) Nothing in this article shall—

- (a) be deemed to transfer to the President any functions conferred by any existing law on the Government of any State or other authority; or
- (b) prevent Parliament from conferring by law functions on authorities other than the President.

No theory of Separation of Powers underlying the Constitution.—1. Though Art. 53 of our Constitution vests the executive power in the President, there is no similar provision in the Constitution vesting the legislative and judicial powers also in other bodies. Further, by introducing the principle of ministerial responsibility, i.e., by making the Executive Head (the President or the Governor) liable to act on the advice of Ministers who are responsible to the Legislature, the Constitution of India has departed from the theory of Separation of Powers which underlies the American Constitution. Again, there are certain provisions in the Constitution itself which provide for the conferment of legislative powers on the Executive or the Judiciary and so on. Thus, Art. 140 provides that Parliament may confer upon the Supreme Court the Power to make rules (which is a legislative power). Article 357 provides that under a Proclamation of Emergency, it shall be competent for Parliament to provide that the powers of the State Legislature to make laws shall be exercised by the President.¹ The power of the President to make Ordinance during recess of the Legislature is another instance of legislative power in the hands of the Executive.

2. But though our Constitution has not strictly adhered to the doctrine of Separation of Powers,² it does not follow that under our Constitution any organ of the Government can encroach upon the constitutional powers of any other organ³ or delegate its constitutional functions to any other organ or authority. A written Constitution, by its very nature, involves a distribution of powers. Though the legislative and executive powers are not vested by the Constitution in the Legislature and the Judiciary expressly, it is clear from the different provisions of the Constitution that, barring specified exceptions, the power of making laws shall be exercised by Parliament and the Legislatures of the States and power of adjudication and interpretation of the Constitution shall

1. *In re. Delhi Laws Act, 1912*, (1951) SCR 747 (835, 884, 943-45, 965) : AIR 1951 SC 332.

2. *In re. Delhi Laws Act, 1912*, (1951) SCR 747 (835, 884, 943-45, 965) : AIR 1951 SC 332.

3. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (236) : AIR 1955 SC 549.

be exercised by the Courts. This is a constitutional trust imposed by the Constitution upon the Legislature and the Courts which they can not, themselves, delegate to others.⁴

3. But it does not constitute an encroachment on the judicial power if the Legislature—

- (i) renders ineffective a judgment by changing the basis of the judgment by changing law retrospectively, which is known as a validating law,⁵ unless Art. 13 (or Art. 20) stands in the way;⁶
- (ii) enacts a conclusive evidence clause.⁷

4. But a Legislature can not *directly* overrule or declare void a judgment of court, because that would be exercising judicial power,⁸ and also because a law implies a generality or general application.⁹ The decision of a particular case by a Legislature would have the vice of a Bill of Attainder.¹⁰

Cl. (1): 'Executive power'.—1. It may not be possible to frame an exhaustive definition of what executive function means and implies. Ordinarily, the executive power connotes the residue of governmental functions that remain after legislative and judicial functions are taken away¹¹ subject, of course, to the provisions of the Constitution or of any law.¹²

2. The executive function comprises both the determination of the policy as well as carrying it into execution, the initiation of legislation, the maintenance of order, the promotion of social and economic welfare, the direction of foreign policy; in fact, the carrying on or supervision of the general administration of the State.¹³ It includes political and diplomatic activities,¹⁴ the recognition or derogation of a 'Ruler' for the purposes of Art. 366(22).¹⁵

3. By reason of Art. 298, *passim*, it also includes¹⁶—(a) the carrying on of trading operations; (b) the acquisition, holding and disposing of property; (c) the making of contract for any purpose.

Exercise of executive power not dependent on prior legislation.—1. It is one of the functions of the Executive to execute the laws. This does not mean, however, that the executive function is confined to the execution of laws or that in order to enable the Executive to function in respect of any subject there must be a law already in existence. Specific legislation, may, of course, be necessary to incur expenditure of the public funds or to encroach upon private rights, which can not, under the Constitution, be done without legislation. But, apart from this, it can not be held that in order to undertake any function, such as, entering into any trade or business, the Executive must obtain prior legislative sanction.¹⁷

2. In the exercise of its executive power, therefore, a Government may do any act provided—

- (i) It is not an act assigned by the Constitution to any other authority or body such as the Legislature or the Judiciary or the Public Service Commission (*s.g.*, matters specified in Art. 3),¹⁸

4. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (236) : AIR 1955 SC 549.
5. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 138; 227; 236) : 1975 Supp. SCC 1.
6. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 138; 227; 236) : 1975 Supp. SCC 1; *Kantu v. Manak Chand*, AIR 1970 SC 694.
7. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 138; 227; 236) : 1975 Supp. SCC 1.
8. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 194; 210; 284; 289; 324; 329; 604; 689-90) : 1975 Supp. SCC 1.
9. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 194; 210; 284; 289; 324; 329; 604; 669-90) : 1975 Supp. SCC 1.
10. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 194; 210; 284; 289; 324; 329; 604; 689-90) : 1975 Supp. SCC 1.
11. *Jayantilal Amratlal Shodhan v. Rana, F.N.*, AIR 1964 SC 648 (655) : 1964 (5) SCR 294; *Madhav Rao Scindia v. Union of India*, AIR 1971 SC 530 (paras 94, 96) : (1971) 1 SCC 85.
12. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (236) : AIR 1955 SC 549.
13. *Sureswari Singh Sarohney v. Asstt. Passport Officer*, AIR 1967 SC 1336 (1845) : 1967 (3) SCR 525.
14. *Madhav Rao Scindia v. Union of India*, AIR 1971 SC 530 (paras 94, 96) : (1971) 1 SCC 85.
15. *Jayantilal Amratlal Shodhan v. Rana, F.N.*, AIR 1964 SC 648 (655) : 1964 (5) SCR 294.
16. *Maganbhai v. Union of India*, AIR 1969 SC 783 (789, 807) : (1970) 3 SCC 400.
18. *Nirmal Bose v. Union of India*, AIR 1969 Cal. 505 (515) : 63 CWN 485.

- (ii) It is not contrary to the provisions of the Constitution,¹⁹ or of any law.
- (iii) It does not encroach upon or otherwise infringe the legal rights of an individual.²⁰
- (iv) It does not involve payment of any money to any foreign power.²¹
- (v) The powers required for carrying out a policy are not available from the existing law.²²
- (vi) Where the Constitution says that an act may be done only by legislation, e.g., Arts. 19(2)-(6),²³

3. In the absence of statutory provisions or statutory Rules or where such Rules are silent, it is competent for the Government, in the exercise of its executive power, to make administrative Rules, e.g., relating to conditions of service under the Government, and such non-statutory Rules shall to that extent be binding on the parties.²⁴

'Officers subordinate to him'.—1. Ministers are officers subordinate to the President [Art. 53(1)] or the Governor²⁵ [Art. 154(1)], as the case may be. Hence, they are also 'public servants' within the meaning of s. 21 of the Penal Code.²⁶

2. It was held by the Supreme Court in some earlier cases that there are certain powers which are vested by the Constitution in the President, apart from the executive power of the Union. Hence, these powers can not be delegated by the President to any other person or authority, either under Art. 53(1)²⁷ [or Art. 154, in the case of a Governor] or under Art. 258(1),²⁸ such as the powers under Arts. 123; 356; 360; 309-310; 311(2)(c).²⁹

But this view³⁰ has been overruled by a larger Bench in *Shamsher v. State of Punjab*.³¹ Subsequently, the view taken in *Shamsher's case*³² has been incorporated in the Constitution itself, by amending Cl. (1) of Art. 74 (see *post*) to lay down that the President must act according to the advice of Ministers in the exercise of his 'functions', without specifying any exceptions. But the decision taken by the President/the Governor in the exercise of his *ex-officio* or statutory power is his own decision on his personal satisfaction and not on the aid and advice of the Council of Ministers but of course with the assistance of appropriate authority or officer. This exercise of power is distinct and different from those exercised formally in his name for which responsibility rests only with his Council of Ministers.³³

'In accordance with the Constitution'.—1. It is these words which give the Courts an avenue for judicial review of executive action; whenever any exercise of such power is not in accordance with the mandatory³⁴ provisions of the Constitution.³⁵ All actions of the State or its authorities and officials must be carried out in accordance with the constitution and within the limits

19. *Kasturi Lal Lakshmi Reddy, M/s. v. State of J. & K.*, AIR 1980 SC, dt. 9-5-1980 : AIR 1980 SC 1992 : (1980) 4 SCC 1; *Ramana Dayaram Shetty v. I.A.A.I.*, (1979) 3 SCC 489; *Maneka Gandhi v. Union of India*, AIR 1978 SC 597 (paras 56, 62) : (1978) 1 SCC 243.
20. *Magandhai v. Union of India*, AIR 1969 SC 783 (789, 807) : (1970) 3 SCC 400; *State of M.P. v. Bharat Singh Thakur*, AIR 1967 SC 1170 : 1967 (2) SCR 464.
21. *Magandhai v. Union of India*, AIR 1969 SC 783 (789, 807) : (1970) 3 SCC 400.
22. *Magandhai v. Union of India*, AIR 1969 SC 783 (789, 807) : (1970) 3 SCC 400.
23. *Shamsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465.
24. *Union of India v. Pantakar, H.R.*, AIR 1984 SC 1587 (para 4) : 1984 Supp. SCC 339 : 1985 (1) SCC 232.
25. *Emperor v. Sibmath Bamerji*, AIR 1945 PC 156 : 50 Cal. WN 25; *Shiv Bahadur Singh v. State of V.P.*, (1953) SCR 1188 (1210) : AIR 1953 SC 394.
26. *Shiv Bahadur Singh v. State of V.P.*, (1953) SCR 1188 (1210) : AIR 1953 SC 394.
27. *State of U.P. v. Babu Ram Upadhyaya*, AIR 1961 SC 751 : 1961 (2) SCR 679.
28. *Jayantilal Amritlal Shodhan v. Rano, F.N.*, AIR 1964 SC 648 : 1964 (5) SC 294.
29. *Sardari Lal, B.K. v. Union of India*, AIR 1971 SC 1547 : (1971) 1 SCC 411 : 1971 (1) LLJ 315.
30. *State of U.P. v. Babu Ram Upadhyaya*, AIR 1961 SC 751 : 1961 (2) SCR 679; *Jayantilal Amritlal Shodhan v. Rano, F.N.*, AIR 1964 SC 648 : 1964 (5) SC 294; *Sardari Lal, B.K. v. Union of India*, AIR 1971 SC 1547 : (1971) 1 SCC 411 : 1971 (1) LLJ 315.
31. *Shamsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465.
32. *Shamsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465.
33. *Bhuri Nath v. State of J&K*, (1997) 2 SCC 745 (paras 24 and 25) : AIR 1997 SC 1711, approving *Hardwari Lal v. G.D. Tapase*, AIR 1982 P&H 439 and *Kiroo Baba v. Govt. of A.P.*, AIR 1986 AP 275.
34. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63.
35. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63.

set by law. The Courts can determine not only the constitutionality of the law but also the procedural part of the administrative action as the part of judicial review.³⁶ The Courts must strike down the unconstitutional act.³⁷ Thus, even in the exercise of a discretionary power or the grant of a privilege or laying down a policy, the Executive act will be struck down by the Court if it is violative of Art. 14, being discriminatory, unreasonable, arbitrary, *mala fide* or otherwise than in the public interest.³⁸

2. The Head of the Department/designated officer is ultimately responsible and accountable to the court for the result of the action done or decision taken.³⁹

3. Of course, the Judiciary will not enter into 'political questions' or questions which involve 'policy'. But the Courts can not shirk their duty of interpreting the Constitution. Hence, a question can not be brushed as a political question if it involves the interpretation of provisions, such as Arts. 53;⁴⁰ 74;⁴¹ 75;⁴² 77;⁴³ 85;⁴⁴ 163;⁴⁵ 166;⁴⁶ 217;⁴⁷ 258;⁴⁸ 310-311.⁴⁹

4. In interpreting the provisions of the Constitution relating to the Parliamentary or Cabinet system of government, the Courts can not overlook the fact that this system was borrowed from England⁵⁰ where it rests on conventions.⁵¹ Of course, where the words of an Article of our Constitution are clear, effect must be given to those words, regardless of the British conventions.⁵² But in cases where the language is not clear or the provision is not exhaustive, the Courts must refer to the conventions prevalent in England at the time the Constitution was framed.⁵³

Extent of executive power of Union.—See under Art. 73, *post*.

Election of President. **Art. 54.** The President shall be elected by the members of an electoral college consisting of—

- (a) the elected members of both Houses of Parliament; and
- (b) the elected members of the Legislative Assemblies of the States.

⁵⁴[*Explanation.*—In this article and in article 55, "State" includes the National Capital Territory of Delhi and the Union territory of Pondicherry.]

26. *State of Bihar v. Subhash Singh*, (1997) 4 SCC 430 (para 3) : AIR 1997 SC 1390.
37. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63.
38. *Kasturi Lal Lakshmi Reddy (M/s.) v. State of J. & K.*, AIR 1960 SC, dt. 9-5-1960 : AIR 1960 SC 1992 : (1960) 4 SCC 1; *Ramaya Dayaram Shetty v. I.A.A.L.*, (1979) 3 SCC 489; *Maneka Gandhi v. Union of India*, AIR 1978 SC 597 (paras 59, 62) : (1978) 1 SCC 248.
39. *State of Bihar v. Subhash Singh*, (1997) 4 SCC 430 (para 3) : AIR 1997 SC 1390.
40. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (236) : AIR 1955 SC 549.
41. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465; *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63; *Rajagopal, K.N. Thiru v. Karunanidhi, M. Thiru*, AIR 1971 SC 1551 : (1972) 4 SCC 733.
42. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63; *Rajagopal, K.N. Thiru v. Karunanidhi, M. Thiru*, AIR 1971 SC 1551 : (1972) 4 SCC 733.
43. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465.
44. *State of Punjab v. Satya Pat Dang*, AIR 1969 SC 908 : (1969) 1 SCR 473.
45. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 331 : 1974 (2) LLJ 465.
46. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465; *Sanjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 : (1970) 1 SCC 443.
47. *J.P. Mitter v. Chief Justice, Calcutta*, AIR 1965 SC 961 : 1965 (2) SCR 53; *Union of India v. Jyoti Prakash Mitter*, AIR 1971 SC 1023 : (1971) 1 SCC 396.
48. *Jayantilal Amritlal Soodhan v. Renu, F.N.*, AIR 1964 SC 648 : 1964 (5) SC 294.
49. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 331 : 1974 (2) LLJ 465.
50. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (236) : AIR 1955 SC 549; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 : (1974) 2 SCC 831 : 1974 (2) LLJ 465.
51. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63.
52. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63.
53. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7, 10) : (1971) 2 SCC 63.
54. The *expl.* to Art. 54 was inserted by the Constitution (70th Amendment) Act, 1992, w.e.f. 21-12-1991.

Electoral college.—1. In view of the mandatory time limit in Art. 62 for holding the election of President in case of a vacancy, the election may be completed even though election may not have taken place, for unforeseen reasons, in some of the State Legislative Assemblies which constitute the electoral college,⁵⁵ e.g., a recent dissolution.⁵⁶

2. The object of Art. 54 is only to prescribe qualifications required for electors to elect the President. It has nothing to do (a) with the time for the election to fill the vacancy before the expiration of the term of the outgoing President, or (b) to prevent the holding of the election before expiration of that term by reason of dissolution of the legislative Assembly of a State.⁵⁷

3. The electoral college is independent of the Legislatures mentioned in this Article and none of these Legislatures have any separate identity *vis-a-vis* the electoral college. The 'electoral college' compendiously indicates a number of persons, holding the qualifications specified in the Article to constitute the electorate for election of the President and to act as *independent* electors. The words 'consisting of' refer to the strength of the electoral college. The dissolution of a Legislative Assembly simply means that there are no elected members of that Assembly and are not entitled to cast votes at the Presidential election which might take place before the next election to the Assembly takes place. In short, the 'electoral college' is always ready to meet the situation at the expiry of the term of office or any vacancy in the office of President caused by death, resignation, removal, or otherwise.⁵⁸

4. The true meaning of Art. 54 is that only such persons as possess the qualifications of being elected members of either House of Parliament or the Legislative Assembly of a State at the *crucial* time of the date of election will be eligible members of the electoral college entitled to cast vote at the election to fill the vacancy caused by expiration of the term of the President.⁵⁹ At any particular time, there may not be the full strength of the electoral college. Thus, if a person, who was an elected member of a Legislative Assembly, ceases, at the relevant date of the Presidential election, to become an elected member by reason of death, resignation, or disqualification or dissolution of that legislative body, such a member would cease to possess the qualification to be an elector and would not be entitled to vote at the Presidential election; but, for that matter, the Presidential election can not be postponed beyond the time limit, which is mandatory.⁶⁰

5. The Court⁶¹ refrained from expressing any opinion as to what would be the effect of a '*mala fide*' dissolution of a Legislative Assembly or if a substantial number of Assemblies were dissolved before the Presidential election. But these questions would not arise now, because of Art. 71(4), which uses the words 'for whatever reason'. [See under Art. 71(4), *post*.]

Cl. (b): 'Legislative Assemblies of States'.—Members of the Legislatures of 'Union Territories' created under Art. 239A are not members of the electoral college under Art. 54(b), because Art. 239A refers to them as 'Legislature' and not 'Legislative Assembly', and also because Art. 367(1) does not say that post-Constitution amendments, outside Art. 372, made to the General Clauses Act would be applicable in the matter of interpretation of the Constitution (as distinguished from interpretation of ordinary laws for which provision has since been made in Art. 372A, *post*).⁶²

Manner of election of President.

Art. 55. (1) As far as practicable, there shall be uniformity in the scale of representation of the different States at the election of the President.

55. *Narayan Bhaskar Khare, Dr. v. Election Commn.*, AIR 1957 SC 694 : 1957 SCR 1081.

56. *In re. Presidential Election*, AIR 1974 SC 1682 (paras 23-29) : (1974) 2 SCC 33.

57. *In re. Presidential Election*, AIR 1974 SC 1682 (paras 23-29) : (1974) 2 SCC 33.

58. *In re. Presidential Election*, AIR 1974 SC 1682 (paras 23-29) : (1974) 2 SCC 33.

59. *Ibid.* paras 33; 34; 47.

60. *Ibid.* paras 30; 34; 47.

61. *Ibid.* paras 30; 34; 67.

62. *Shri Kirpal Singh v. Giri, V.V.*, AIR 1970 SC 2097 (paras 247-48) : (1970) 2 SCC 567.

(2) For the purpose of securing such uniformity among the States *inter se* as well as parity between the States as a whole and the Union, the number of votes which each elected member of Parliament and of the Legislative Assembly of each State is entitled to cast at such election shall be determined in the following manner:—

- (a) every elected member of the Legislative Assembly of a State shall have as many votes as there are multiples of one thousand in the quotient obtained by dividing the population of the State by the total number of the elected members of the Assembly;
- (b) if, after taking the said multiples of one thousand, the remainder is not less than five hundred, then the vote of each member referred to in sub-clause (a) shall be further increased by one;
- (c) each elected member of either House of Parliament shall have such number of votes as may be obtained by dividing the total number of votes assigned to the members of the Legislative Assemblies of the States under sub-clauses (a) and (b) by the total number of the elected members of both Houses of Parliament, fractions exceeding one-half being counted as one and other fractions being disregarded.

(3) The election of the President shall be held in accordance with the system of proportional representation by means of the single transferable vote and the voting at such election shall be by secret ballot.

⁶³[Explanation.—In this article, the expression "population" means the population as ascertained at the last preceding census of which the relevant figures have been published.

Provided that the reference in this Explanation to the last preceding census of which the relevant figures have been published shall, until the relevant figures for the first census taken after the year 2000 have been published, be construed as a reference to the 1971 census.]

'As far as practicable' [Cl. (1)].—These words indicate that in practice the scale of representation may not be uniform because the actual number of electors on the date of election of the President may not be equal to the total number of all the elected members of both the Houses of Parliament and all the Legislative Assemblies of all the States, owing to vacancies in such Legislatures having been caused by reason of death, resignation, disqualification and the like.⁶⁴

By secret ballot [Cl. (3)].—The requirement of the Section 5-B(1)(a) of the Presidential and Vice-Presidential Elections Act, 1952 about the nomination paper being subscribed by a particular number of electors as proposers and seconders does not, in any way, involve infringement of the secrecy of ballot at the election inasmuch as the proposer or seconder is free to cast his vote in favour of any candidate which is not disclosed.⁶⁵

Term of office of President.

Art. 56. (1) The President shall hold office for a term of five years from the date on which he enters upon his office:

Provided that—

- (a) the President may, by writing under his hand addressed to the Vice-President, resign his office;

63. Substituted by the Constitution (42nd Amendment) Act, 1976. For the purposes of Art. 55, the population of the State of Jammu & Kashmir shall be deemed to be 63 lakhs.

64. *In re. Presidential Election*, AIR 1974 SC 1682 (paras 26, 27) : (1974) 2 SCC 33.

65. *Charan Lal Sahu v. K.R. Nayayasan*, (1998) 1 SCC 56 (para 25) : AIR 1998 SC 1506.

- (b) the President may, for violation of the Constitution, be removed from office by impeachment in the manner provided in article 61;
- (c) the President shall, notwithstanding the expiration of his term, continue to hold office until his successor enters upon his office.

(2) Any resignation addressed to the Vice-President under clause (a) of the proviso to clause (1) shall forthwith be communicated by him to the Speaker of the House of the People.

Cl. (1), Prov. (c).—Since the term of office of the President is fixed at 5 years and the election to fill up the vacancy is to be completed before that term, but the successor can not enter upon his office until after the result of the election is declared and he takes his oath of office under Art. 60, it is possible that the successor may not be able to enter upon his office on the very day following the expiration of the term of the outgoing President. That is why provision is made in this Proviso to enable the outgoing President, notwithstanding the expiry of his term, to continue in office until the successor enters upon his office.⁶⁶

Eligibility for re-election. **Art. 57.** A person who holds, or who has held, office as President shall, subject to the other provisions of this Constitution, be eligible for re-election to that office.

Qualifications for election as President. **Art. 58.** (1) No person shall be eligible for election as President unless he—

- (a) is a citizen of India,
- (b) has completed the age of thirty-five years, and
- (c) is qualified for election as a member of the House of the People.

(2) A person shall not be eligible for election as President if he holds any office of profit under the Government of India or the Government of any State or under any local or other authority subject to the control of any of the said Governments.

Explanation.—For the purposes of this article, a person shall not be deemed to hold any office of profit by reason only that he is the President or Vice-President of the Union or the Governor⁶⁷ . . . of any State or is a Minister either for the Union or for any State.

Arts. 58(1) and 71(3).—1. The provisions of this Article are to be read with Art. 71(3), which empowers Parliament to legislate relating to Presidential elections,⁶⁸ subject to the other provisions of the Constitution including Art. 58, which lays down the qualifications for election as President.

2. In the result, merely because a person is qualified under Art. 58, it does not mean that he would be a 'candidate' without complying with the requirements of a nomination under the provisions of the Presidential and Vice-Presidential Elections Act, 1952, made by Parliament under Art. 71(3).⁶⁹

3. For the same reason, a provision in the Presidential Election law enacted under Art. 71(3), which provides that a candidate, otherwise qualified under Art. 58, can not stand as a candidate

66. *In re. Presidential Election*, AIR 1974 SC 1682 (para 13) : (1974) 2 SCC 33.

67. The words 'Rajpramukh' or 'Uprajpramukh' were omitted by the Constitution (7th Amendment) Act, 1956.

68. *Charan Lal Sahu v. Fakhruddin Ali Ahmed*, AIR 1975 SC 1288 (1289) : (1975) 4 SCC 832.

69. *Charan Lal Sahu v. Fakhruddin Ali Ahmed*, AIR 1975 SC 1288 (1289) : (1975) 4 SCC 832.

unless proposed and seconded by ^{two}⁷⁰ electors, does not contravene Art. 58, because the nomination of candidates and the procedure leading up to the election is a requirement 'relating to the election' which Parliament is competent to lay down under Art. 71(3).⁷¹

4. On the other hand, the election of a person as President can not be held invalid because he did not take the oath prescribed by Art. 84(a) before his nomination, because Art. 84(a) relates to membership of Parliament and to the office of President, as regards which the qualifications are laid down in Art. 58. On the other hand, the oath prescribed by Art. 60 has to be taken by the President after election and before entering upon office.⁷²

Cl. (1)(c): 'Is qualified for election as member of the House of the People'.—1. This expression means that those qualifications which are laid down in Art. 58(1) itself, such as citizenship and age, it is Art. 58(1) and not Art. 84, which will govern a Presidential candidate.⁷³ Similarly, the disqualification as regards office of profit in Art. 58(2) will exclude the application of Art. 102(1)(a), as regards a Presidential candidate.⁷⁴ Similarly, a Presidential candidate need not take the oath prescribed by the Third Schedule to the Constitution.⁷⁵

2. But, outside the foregoing matters, which are specifically dealt with in Arts. 58, 60, 102(1)(b)-(c) [insanity, insolvency], will also disqualify a Presidential candidate. Similarly, the additional qualifications, laid down in Art. 84(c), and the additional disqualifications, if 'any' laid down under Art. 102(1), as regards membership of Parliament would also be applicable to a candidate for office of President, because of Art. 58(1)(c).⁷⁶

Cl. (2): Disqualification relating to 'office of profit'.—1. Though a person is qualified to be elected a President under Cl. (1), he shall not be so eligible if he holds an 'office of profit' within the ambit of Cl. (2).

2. The disqualification arises if—

- (a) the candidate holds an 'office of profit' (as to which, see under Arts. 102 and 191, *post*);
- (b) such office is held either under the Government of India, or under the Government of any State, or under any local or other authority subject to the control⁷⁷ of either Government (*i.e.*, Union or State). It is to be noted that holding an office of profit under a 'local or other authority' is not a disqualification for candidature for membership of the Union or State Legislature [vide Art. 120(1)(i); 191(1)(a), *post*]; but it has been made a disqualification for election as President [Art. 58(2)], or Vice-President [Art. 66(4), *post*].⁷⁸

In order to prove the incurring of disqualification it must be shown that (i) there was a permanent office, (ii) income or profit accrued from that office and (iii) the candidate held that office.⁷⁹

Art. 59. (1) The President shall not be a member of either House of Parliament or of a House of the Legislature of any State, and if a member of either House of Parliament or of a House of the Legislature of any State be elected President, he shall be deemed

Conditions of President's Office.

70. The Presidential and Vice-Presidential Elections Act, 1952 as amended by Act 5 of 1974, now requires that the nomination of a Presidential candidate should have ten electors as proposers and ten electors as seconders. In case of Vice-Presidential election the requirement is five proposers and five seconders.
71. *Shiv Kripal Singh v. Gtri, V.V.*, AIR 1970 SC 2097 (paras 247-48); (1970) 2 SCC 567.
72. *Baburao Patel v. Zakir Hussain*, AIR 1968 SC 904 (paras 7, 10, 14-15); 1968 (2) SCR 133.
73. *Baburao Patel v. Zakir Hussain*, AIR 1968 SC 904 (paras 7, 10, 14-15); 1968 (2) SCR 133.
74. *Baburao Patel v. Zakir Hussain*, AIR 1968 SC 904 (paras 7, 10, 14-15); 1968 (2) SCR 133.
75. *Charan Lal Sahu v. Zail Singh, Ginni*, AIR 1984 SC 309 (para 43); (1984) 1 SCC 390.
76. *Baburao Patel v. Zakir Hussain*, AIR 1968 SC 904 (paras 7, 10, 14-15); 1968 (2) SCR 133.
77. *Shradha Loni v. Pant, K.C.*, AIR 1984 SC 382 (paras 5, 21); (1984) 3 SCC 453.
78. *Garuhanthappa, D.R. v. Abdul Khudus Anwar*, AIR 1969 SC 744 (para 11); (1969) 1 SCC 466.
79. *Rabindra Kumar Nayak v. Collector, Mayurbhanj, Orissa*, (1969) 2 SCC 627 (para 16); AIR 1969 SC 1120.

to have vacated his seat in that House on the date on which he enters upon his office as President.

(2) The President shall not hold any other office of profit.

(3) The President shall be entitled without payment of rent to the use of his official residences and shall be also entitled to such emoluments, allowances and privileges as may be determined by Parliament by law and, until provision in that behalf is so made, such emoluments, allowances and privileges as are specified in the Second Schedule.

(4) The emoluments and allowances of the President shall not be diminished during his term of office.

Emoluments.—In President gets an emolument of Rs. 50,000 per mensem [(vide Act 25 of 1998) w.e.f. 1-1-1996].

Art. 60. Every President and every person acting as President or discharging the functions of the President shall, before entering upon his office, make and subscribe in the presence of the Chief Justice of India or, in his absence, the senior-most Judge of the Supreme Court available, an oath or affirmation in the following form, that

is to say—

“I, A.B., do swear in the name of God that I will faithfully execute the office of solemnly affirm

President (or discharge the functions of the President) of India and will to the best of my ability preserve, protect and defend the Constitution and the law and that I will devote myself to the service and well-being of the people of India.”

Procedure for Art. 61. (1) When a President is to be impeached for violation of the Constitution, the charge shall be preferred by either House of Parliament.

(2) No such charge shall be preferred unless—

- (a) the proposal to prefer such charge is contained in a resolution which has been moved after at least fourteen days' notice in writing signed by not less than one-fourth of the total number of members of the House has been given of their intention to move the resolution; and
- (b) such resolution has been passed by a majority of not less than two-thirds of the total membership of the House.

(3) When a charge has been so preferred by either House of Parliament, the other House shall investigate the charge or cause the charge to be investigated and the President shall have the right to appear and to be represented at such investigation.

(4) If as a result of the investigation a resolution is passed by a majority of not less than two-thirds of the total membership of the House by which the charge was investigated or caused to be investigated, declaring that the charge preferred against the President has been sustained, such resolution shall have the effect of removing the President from his office as from the date on which the resolution is so passed.

Time of holding election to fill vacancy in the office of President and the term of office of person elected to fill casual vacancy.

Art. 62. (1) An election to fill a vacancy caused by the expiration of the term of office of President shall be complete before the expiration of the term.

(2) An election to fill a vacancy in the office of President occurring by reason of his death, resignation or removal, or otherwise shall be held as soon as possible after, and in no case later than six months from, the date of occurrence of the vacancy, and the person elected to fill the vacancy shall, subject to the provisions of article 56, be entitled to hold office for the full term of five years from the date on which he enters upon his office.

Time limit mandatory.—1. The election of the President must be completed within the time fixed by the article,⁸⁰ read with Art. 56(1) and proviso (c). There is no provision for extension of this time limit.

2. Because of the rigidity of the time-limit, the election must be held and completed before the expiration of the term of the outgoing President, in a case coming under Cl. (1), notwithstanding the fact that at the time of such election, the Legislative Assembly of a State has been dissolved.⁸¹

Cl. (2): 'Otherwise'.—1. A vacancy may be caused otherwise than by reason of death, resignation or removal of a sitting President, e.g., where a President becomes disqualified to hold the office or where his election is declared void.⁸²

2. In any case falling under the present Clause, there is no question of the outgoing President continuing in office till his successor enters upon his office; in such cases, it is the Vice-President who would act as the President, according to Art. 65(1), *post*.

The Vice-President of India.

Art. 63. There shall be a Vice-President of India.

Art. 64. The Vice-President shall be *ex-officio* Chairman of the Council of States and shall not hold any other office of profit.

The Vice-President to be *ex-officio* Chairman of the Council of States.

Provided that during any period when the Vice-President acts as President or discharges the functions of the President under article 65, he shall not perform the duties of the office of Chairman of the Council of States and shall not be entitled to any salary or allowance payable to the Chairman of the Council of States under article 97.

The Vice-President to act as President or to discharge his functions during casual vacancies in the office, or during the absence, of President.

Art. 65. (1) In the event of the occurrence of any vacancy in the office of the President by reason of his death, resignation or removal, or otherwise, the Vice-President shall act as President until the date on which a new President elected in accordance with the provisions of this Chapter to fill such vacancy enters upon his office.

(2) When the President is unable to discharge his functions owing to absence, illness or any other cause, the Vice-President shall discharge his functions until the date on which the President resumes his duties.

80. *Narayan Bhaskar Khare, Dr. v. Election Commn.*, (1957) SCR 1081 : AIR 1957 SC 694; *In re. Presidential Election*, AIR 1974 SC 1682 (paras 4-5; 7; 47) : (1974) 2 SCC 33.

81. *In re. Presidential Election*, AIR 1974 SC 1682 (paras 4-5; 7; 47) : (1974) 2 SCC 33.

82. *In re. Presidential Election*, AIR 1974 SC 1682 (paras 4-5; 7; 47) : (1974) 2 SCC 33.

(3) The Vice-President shall, during, and in respect of, the period while he is so acting as, or discharging the functions of, President, have all the powers and immunities of the President and be entitled to such emoluments, allowances and privileges as may be determined by Parliament by law and, until provisions in that behalf is so made, such emoluments, allowances and privileges as are specified in the Second Schedule.

Mid-term vacancy of the office of President [Cl. (1)].—The Clause is complementary to Art. 62(2), and means that when the office of President falls vacant owing to death, resignation, removal or otherwise, election to fill the vacancy must be held as soon as possible, and till such election is held and the new President enters upon his office, the Vice-President shall 'act as President'.⁸³ In such circumstances, the outgoing President can not continue in office; the only case when he can do so is specified in Art. 56(1)(c), relating to expiry of the term of office of the President.⁸⁴

Art. 66. (1) The Vice-President shall be elected by the members of⁸⁵ an electoral college consisting of the members of both Houses of Parliament ... in accordance with the system of proportional representation by means of the single transferable vote and the voting at such election shall be by secret ballot.

(2) The Vice-President shall not be a member of either House of Parliament or of a House of the Legislature of any State, and if a member of either House of Parliament or of a House of the Legislature of any State be elected Vice-President, he shall be deemed to have vacated his seat in that House on the date on which he enters upon his office as Vice-President.

(3) No person shall be eligible for election as Vice-President unless he—

- (a) is a citizen of India;
- (b) has completed the age of thirty-five years; and
- (c) is qualified for election as a member of the Council of States.

(4) A person shall not be eligible for election as Vice-President if he holds any office of profit under the Government of India or the Government of any State or under any local or other authority subject to the control of any of the said Governments.

Explanation.—For the purposes of this article, a person shall not be deemed to hold any office of profit by reason only that he is the President or Vice-President of the Union or the Governor ...⁸⁶ of any State or is a Minister either for the Union or for any State.

Amendment.—The italicised words in Cl. (1) have been substituted by the Constitution (Eleventh Amendment) Act, 1961.

Effect of Amendment.—The original Cl. (1) of Art. 66 provided for election of the Vice-President by the members of both Houses of Parliament assembled at a joint meeting. Though Art. 54 also provides for indirect election of the President and the members of both Houses of Parliament form a part of the electoral college for this purpose,

83. *In re. Presidential Election*, AIR 1974 SC 1682 (para 5) : (1974) 2 SCC 33.

84. *In re. Presidential Election*, AIR 1974 SC 1682 (para 8) : (1974) 2 SCC 33.

85. Substituted for the words "members of both Houses of Parliament assembled at a joint meeting", by the Constitution (11th Amendment) Act, 1961.

86. The words "or Rajpramukh or Uprajpramukh" were omitted by the Constitution (7th Amendment) Act, 1956.

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no provision for a joint sitting of the two Houses has been prescribed for the voting. The members cast their votes individually. The Eleventh Amendment brings the election of the Vice-President in line with that of the President by removing the obligation of summoning a joint sitting of the Houses for this purpose. But members of the Legislative Assemblies of States shall not be members of the electoral college for electing the Vice-President as in the case of the President.

Cl. (4): 'Office of profit'.—Sec under Art. 58(2), *ante* and Art. 102(1)(a), *post*.

Term of office of Vice-President.

Art. 67. The Vice-President shall hold office for a term of five years from the date on which he enters upon his office:

Provided that—

- (a) a Vice-President may, by writing under his hand addressed to the President resign his office;
- (b) a Vice-President may be removed from his office by a resolution of the Council of States passed by a majority of all the then members of the Council and agreed to by the House of the People; but no resolution for the purpose of this clause shall be moved unless at least fourteen days' notice has been given of the intention to move the resolution;
- (c) a Vice-President shall, notwithstanding the expiration of his term, continue to hold office until his successor enters upon his office.

Time of holding election to fill vacancy in the office of Vice-President and the term of office of person elected to fill casual vacancy.

Art. 68. (1) An election to fill a vacancy caused by the expiration of the term of office of Vice-President shall be completed before the expiration of the term.

(2) An election to fill a vacancy in the office of Vice-President occurring by reason of his death, resignation or removal, or otherwise shall be held as soon as possible after the occurrence of the vacancy, and the person elected to fill the vacancy shall, subject to the provisions of article 67, be entitled to hold office for the full term of five years from the date on which he enters upon his office.

Oath or affirmation by the Vice-President.

Art. 69. Every Vice-President shall, before entering upon his office, make and subscribe before the President, or some person appointed in that behalf by him, an oath or affirmation in the following form, that is to say—

"I, A.B., do ^{swear in the name of God} solemnly affirm that I will bear true faith and allegiance to the

Constitution of India as by law established and that I will faithfully discharge the duty upon which I am about to enter."

Discharge of President's functions in other contingencies.

Art. 70. Parliament may make such provisions as it thinks fit for the discharge of the functions of President in any contingency not provided for in this Chapter.

'Discharge of functions of President'.—In exercise of the power conferred by this Article, Parliament has enacted the President (Discharge of Functions) Act, 1969, to provide that in that event of occurrence of vacancy in the office of both the President and the Vice-President, by reason of death, resignation, removal or otherwise, the Chief Justice of India, or, in his absence, the

senior-most Judge of the Supreme Court of India available shall discharge the functions until a new President is elected.

The disqualification under Art. 58(2) will not be attracted to such person because he is only to 'discharge the functions of the President' and not seeking election as President.⁸⁷

Matters relating to, or connected with, the election of a President or Vice-President. **Art. 71. (1)** All doubts and disputes arising out of or in connection with the election of a President or Vice-President shall be inquired and decided by the Supreme Court whose decision shall be final.

(2) If the election of a person as President or Vice-President is declared void by the Supreme Court, acts done by him in the exercise and performance of the powers and duties of the office of President or Vice-President, as the case may be, on or before the date of the decision of the Supreme Court shall not be invalidated by reason of that declaration.

(3) Subject to the provisions of this Constitution, Parliament may by law regulate any matter relating to or connected with the election of a President or Vice-President.

(4) The election of a person as President or Vice-President shall not be called in question on the ground of the existence of any vacancy for whatever reason among the members of the electoral college electing him.

Amendments.—This Article has undergone three amendments:

I. The Constitution (11th Amendment) Act, 1961.—By this Amendment, Cl. (4) was added to ensure that the election of a President or a Vice-President shall not be invalid owing to any vacancy or want of full constitution of the electoral college, e.g., because election to the Houses of Parliament from all the constituencies or to all the Legislative Assemblies could not be completed by the date of the election of President or Vice-President, owing to inclemency of weather or otherwise.⁸⁸

II. The Constitution (39th Amendment) Act, 1975.—The Article was entirely recast and substituted by the Constitution (39th Amendment) Act, 1975, with the following changes:

- (i) Cl. (4) was made the Proviso to Cl. (1).
- (ii) The jurisdiction of the Supreme Court [under original Cl. (1)] was taken away and vested in such authority or body, which may hereafter be set up by Parliament in exercise of the power conferred upon by new Cl. (1), which corresponds to Old Cl. (3).
- (iii) The new Cl. (3) was inserted to give complete immunity from constitutional challenge to any law made by Parliament under Cl. (1).
- (iv) New Cl. (4) corresponded to old Cl. (2), without any substantial change.

III. The Constitution (44th Amendment) Act, 1978.—By this Amendment, the Article has been substituted again, primarily, to undo the changes made by the 39th Amendment:

- (a) Cl. (2) has been made Cl. (1), and the jurisdiction of the Supreme Court has been restored. In short, the present Cl. (1) is a reproduction of Cl. (1) of the original Art. 71.
- (b) Cl. (4) has been made Cl. (2), corresponding to Cl. (2) of the original Article, in its original form.
- (c) Cl. (3) restores Cl. (3) of the original Article, without any change.
- (d) Cl. (4) of the present Article restores Cl. (4) as it had been inserted by the Eleventh Amendment Act, in 1961.

Effects of the substitution of 1978.—The result of what has just been stated is that the interpretation given to Art. 71 upto 1975 will stand good.

87. *Arun Kumar v. Union of India*, AIR 1982 Raj. 67 (para 12) : 1981 Raj L.W 540.

88. Substituted by the Constitution (39th Amendment) Act, 1975, and again substituted by the Constitution (44th Amendment) Act, 1978.

89. *Cf. Khare Narayan Bhaskar, Dr. v. Election Commn.*, (1957) SCR 1081 : AIR 1957 SC 694.

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Cl. (1): Decision of doubts and disputes relating to Presidential election.

1. Under the original Article, the jurisdiction to decide disputes relating to the election of a President or Vice-President was in the Supreme Court.⁹⁰ As just stated, this position has been restored by the 44th Amendment.
2. An election petition to challenge a Presidential election must comply with the terms of the Presidential and Vice-Presidential Elections Act, 1952;⁹¹ and the petitioner must have *locus standi* in terms thereof.⁹²
3. The point for determination in such petition is not the suitability of the respondent but whether the election is vitiated for any of the reasons prescribed by the statute (s. 18),⁹³ and on no other ground.⁹⁴

Cl. (3).—The power of Parliament under this Clause includes the power to specify what kinds of doubts or disputes shall be inquired into by the Supreme Court under Cl. (1).⁹⁵

Power of President to grant pardons, etc., and to suspend, remit or commute sentences in certain cases.

Art. 72. (1) The President shall have the power to grant pardons, reprieves, respites or remissions of punishment or to suspend, remit or commute the sentence of any person convicted of any offence—

- (a) in all cases where the punishment or sentence is by a Court Martial;
 - (b) in all cases where the punishment or sentence is for an offence against any law relating to a matter to which the executive power of the Union extends;
 - (c) in all cases where the sentence is a sentence of death.
- (2) Nothing in sub-clause (a) of clause (1) shall affect the power conferred by law on any officer of the Armed Forces of the Union to suspend, remit or commute a sentence passed by a Court Martial.
- (3) Nothing in sub-clause (c) of clause (1) shall affect the power to suspend, remit or commute a sentence of death exercisable by the Governor . . .⁹⁶ of a State under any law for the time being in force.

Pardoning Power.—See under Art. 161, *post*.

90. *E.g., Khare Narayan Bhaskar v. Election Commn.*, AIR 1957 SC 604 : 1957 SCR 1081; *Narayan Bhaskar Khare v. Election Comn.*, (1957) SCR 1081 (7090) : AIR 1957 SC 694; *Khare, N.B. v. Election Commission (II)*, AIR 1958 SC 139 (140); (1958) SCR 648; *S.K. Singh v. Gov. V.V.*, AIR 1970 SC 2097 : (1970) 2 SCC 567.
91. *Charan Lal Sahu v. Zail Singh Giani*, AIR 1984 SC 309 (para 9) : (1984) 1 SCC 390; *Charan Lal Sahu v. Fakruddin Ali Ahmed*, AIR 1975 SC 1288 : (1975) 4 SCC 832.
92. *Charan Lal Sahu v. Zail Singh Giani*, AIR 1984 SC 309 (para 9) : (1984) 1 SCC 390; *Charan Lal Sahu v. Fakruddin Ali Ahmed*, AIR 1975 SC 1288 : (1975) 4 SCC 832.
93. *Charan Lal Sahu v. Zail Singh Giani*, AIR 1984 SC 309 (para 9) : (1984) 1 SCC 390; *Charan Lal Sahu v. Fakruddin Ali Ahmed*, AIR 1975 SC 1288 : (1975) 4 SCC 832; *Cf. Venkateswara Rao, K. v. Reddy Bekkum Narasimha*, AIR 1969 SC 872 (876) : 1969 (1) SCR 670; *Charan v. Nand Kishore*, AIR 1973 SC 2644 (2466) : (1973) 2 SCC 530; *Shiv Kirpal Singh v. Gov. V.V.*, AIR 1970 SC 2097 (2172) (1970) 2 SCC 567; *Baburao v. Zakir*, AIR 1968 SC 904 : 1968 (2) SCR 133.
94. *Charan Lal Sahu v. Zail Singh Giani*, AIR 1984 SC 309 (para 9) : (1984) 1 SCC 390; *Charan Lal Sahu v. Fakruddin Ali Ahmed*, AIR 1975 SC 1288 : (1975) 4 SCC 832.
95. *Charan Lal Sahu v. Zail Singh Giani (II)*, AIR 1984 SC 309 (para 42) : (1984) 1 SCC 417.
96. The words "or Rajpramukh" have been omitted by the Constitution (7th Amendment) Act, 1956.

'Commute the sentence'.—The power of the President to commute any sentence is not subject to any constitutional or judicial restraints except that it can not be used to enhance the sentence.¹ It is intended to afford relief from undue harshness of evident mistake.²

The long time lag which elapsed subsequent to the date of offence (rape on a minor) and the fact that the prosecutrix got married and is well-settled in life during the intervening period, may be factors for consideration by the executive or the constitutional authorities in deciding whether remission of sentence could be allowed to the convict.³

Arts. 32 and 72.—It is not impermissible for the Supreme Court to recommend to the President, in a fit case, that he may exercise his power under Art. 72.⁴

Art. 72 and s. 433A of the Criminal Procedure Code, 1973.—1. Section 433A of the Cr. P.C. is not violative of the provision in Art. 72 (or Art. 161), because the source and substance of the two powers are different.⁵

2. Nor does s. 433A control the unfettered power of the Executive under Art. 72 (or Art. 161) in any way, but since, the legislative measure has been made as sponsored by the Central Government,⁶ it would be desirable for the Government not to overlook the spirit of s. 433A, in exercising its power under Art. 72.⁷

Exercise of the Power.—1. Being an executive power, the power of the President is to be exercised on the advice tendered by the Council of Ministers.⁸

2. Subject to the above, the President may scrutinise the evidence on record of the criminal case and come to a different conclusion from that recorded by the Court. In doing so the President does not amend or modify or supersede the judicial record. The President acts in a wholly different plan. He acts under a constitutional power, and is entitled to go into the merits of the case.⁹ If he takes a different view it would not amount to suppression of judicial verdict.

3. Again, the proceeding before the President being of an executive character, the petitioner has no right to insist on presenting an oral argument. The manner of consideration of the petition lies within the discretion of the President.¹⁰

4. It is an absolute power, conferred by the Constitution and is not subject to any statutory provision.¹¹

Judicial review of exercise of President's power.—1. Since the President's power under Art. 72 is a constitutional power and is an executive power¹² unlike the Court's statutory and judicial power under ss. 432 and 433(a) of the Cr. P.C., the order of the President under Art. 72 can not be subjected to judicial review and the merits.¹³ The power is of the widest amplitude and the Court can not even suggest guidelines.¹⁴

2. It follows that—

(a) It must be presumed that the President acted properly and carefully after an objective consideration of all aspects of the matter.¹⁵

1. *Kuljit Singh v. Lt. Governor, Delhi*, AIR 1982 SC 774 : (1982) 1 SCC 417.
2. *Kuljit Singh v. Lt. Governor, Delhi*, AIR 1982 SC 774 : (1982) 1 SCC 417.
3. *Kamal Kishore v. State of H.P.*, (2000) 4 SCC 502 (para 25).
4. *Harbans Singh v. State of U.P.*, AIR 1982 SC 849 (para 5) : (1982) 2 SCC 101.
5. *Maru Ram v. Union of India*, AIR 1980 SC 2147 (paras 59-60, 72, 100) : (1981) 1 SCC 107.
6. *Maru Ram v. Union of India*, AIR 1980 SC 2147 (paras 59-60, 72, 100) : (1981) 1 SCC 107.
7. This observation of FAZL A.I., J., at para 100 of *Maru Ram v. U.O.I.*, AIR 1980 SC 2147 : (1981) 1 SCC 107 is obviously an obiter.
8. *Kehar Singh v. Union of India*, AIR 1989 SC 653 : (1989) 1 SCC 204 : 1989 (1) Crimes 238.
9. *Kehar Singh v. Union of India*, AIR 1989 SC 653 : (1989) 1 SCC 204 : 1989 (1) Crimes 238.
10. *Kehar Singh v. Union of India*, AIR 1989 SC 653 : (1989) 1 SCC 204 : 1989 (1) Crimes 238.
11. *State of Punjab v. Joginder Singh*, (1990) Cr. L.J. 1464 (para 7) SC : AIR 1990 SC 1396 : (1990) 2 SCC 661.
12. *Maru Ram v. Union of India*, AIR 1980 SC 2147 (paras 59-60, 72, 100) : (1981) 1 SCC 107.
13. *Kehar Singh v. Union of India*, AIR 1989 SC 653 : (1989) 1 SCC 204 : 1989 (1) Crimes 238.
14. *Kehar Singh v. Union of India*, AIR 1989 SC 653 : (1989) 1 SCC 204 : 1989 (1) Crimes 238.
15. *Maru Ram v. Union of India*, AIR 1980 SC 2147 (paras 59-60, 72, 100) : (1981) 1 SCC 107.

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(b) No Court can ask for the reasons why a mercy petition has been rejected.¹⁶

If, however, reasons are given in the President's order, and these are held to be irrelevant, the Court would interfere.¹⁷

3. But the Court has admitted judicial review on some specified grounds, e.g. -

(a) To determine the scope of the President's power under Art. 72.¹⁸

(b) The Court can interfere where the President's exercise of the power is vitiated by self-denial on erroneous appreciation of the full amplitude of the power conferred by Art. 72, e.g., where the President rejected a mercy petition on the erroneous ground that he could not go behind the final decision of the highest Court of the land;¹⁹ or where the President's decision is wholly irrelevant to Art. 72, or arbitrary, discriminatory or *mala fide*.²⁰

(c) To determine whether there has been an *inordinate delay* in disposing of a mercy petition which prolongs delay in execution of the death sentence, for no fault of the accused—and thus inflicts additional penalty by way of worry and suspense over and above the sentence of death as awarded by the Court.²¹ In case of inordinate delay,²² the Supreme Court would, under Art. 32, substitute the sentence of death into one of imprisonment for life.²³

4. While an earlier mercy petition has been dismissed by the President, the convict can not obtain an order of staying execution of the death sentence by submitting repeated mercy petitions.²⁴

Extent of executive power of the Union. Art. 73. (1) Subject to the provisions of this Constitution, the executive power of the Union shall extend—

(a) to the matters with respect to which Parliament has power to make laws; and

(b) to the exercise of such rights, authority and jurisdiction as are exercisable by the Government of India by virtue of any treaty or agreement:

Provided that the executive power referred to in sub-clause (a) shall not, save as expressly provided in this Constitution or in any law made by Parliament, extend in any State. . . .²⁵ to matters with respect to which the Legislature of the State has also power to make laws.

(2) Until otherwise provided by Parliament, a State and any officer or authority of a State may, notwithstanding anything in this article, continue to exercise in matters with respect to which Parliament has power to make laws for that State such executive power or functions as the State or officer or authority thereof could exercise immediately before the commencement of this Constitution.

16. *State of Punjab v. Joginder Singh*, (1990) Cr. L.J. 1464 (para 7) SC : AIR 1990 SC 1396 : (1990) 2 SCC 661.

17. *Maru Ram v. Union of India*, AIR 1980 SC 2147 (paras 59-60, 72, 100) : (1981) 1 SCC 107.

18. *Kchar Singh v. Union of India*, AIR 1989 SC 658 : (1989) 1 SCC 204 : 1989 (1) Crimes 238.

19. *Maru Ram v. Union of India*, AIR 1980 SC 2147 (paras 59-60, 72, 100) : (1981) 1 SCC 107.

20. *Maru Ram v. Union of India*, AIR 1980 SC 2147 [paras 62, 72(9)] : (1981) 1 SCC 107 C.B., followed in *Bonmai, S.R. v. Union of India*, (1994) 3 SCC 1 (para 73) : AIR 1994 SC 1918 - 9-Judge Bench.

21. *Sher Singh v. State of Punjab*, AIR 1983 SC 465 (para 11) : (1983) 2 SCC 344; *Triveniben v. State of Gujarat (I)*, (1989) 1 SCC 878 (CB) AIR 1989 SC 1335; *Jumman v. State of U.P.*, (1991) 1 SCC 752 : AIR 1991 SC 345.

22. *Triveniben Keshavlal Parmar v. State of Gujarat (III)*, (1990) Cr. L.J. 1341 (para 8) SC.

23. *Sher Singh v. State of Punjab*, AIR 1983 SC 465 (para 11) : (1983) 2 SCC 344.

24. *Triveniben v. State of Gujarat (II)*, (1990) Cr. L.J. 273 (para 7) Guj : (1989) 30 Guj LR 923.

25. The words "specified in Part A . . . First Schedule" have been omitted by the Constitution (7th Amendment) Act, 1956.

Art. 73: Extent of executive power of the Union.—(i) The Union shall have exclusive executive power for (a) the administration of laws made by Parliament under its exclusive powers; (b) the exercise of its treaty powers [cf. Art. 253].

By virtue of Cl. (1) (a), the executive power of the Union shall be co-extensive with the legislative power of the Union Parliament. In other words, it will extend over the whole of the territory of India, with respect to the matters enumerated in Lists I and III of the 7th Schedule. But this is subject to the two exceptions engrafted in the Proviso to Cl. (1), and in Cl. (2).

(ii) The Proviso to Cl. (1) says that executive authority in regard to matters in the Concurrent List shall be ordinarily left to the States, for Parliament shall be entitled to provide that in exceptional cases the executive power of the Union shall also extend to these subjects.

If the Ministers are constantly under the fear or threat of being proceeded against in a court of law for even the slightest of lapses or under the constant fear of exemplary damages being awarded against them, they will develop a defensive attitude which would not be in the interest of administration.²⁶

Wider than prerogative powers in England.—The executive powers of the Union and the States under Arts. 73 and 162 are much wider than the prerogative powers in England.²⁷

'Subject to the provisions of the Constitution'.—Apart from the provisions of Arts. 73 and 162, executive power is conferred upon the Union as well as a State Government as regards three specified matters—

- (i) carrying on of any trade or business [Art. 298];
- (ii) acquisition, holding and disposal of property [Art. 298];
- (iii) making of contracts for any purposes [Art. 299].

'Executive power'.—See under Art. 53(1), *ante*.

Whether specific legislation is required for the exercise of executive power relating to a particular subject.—1. The Supreme Court has held that under our Constitution, the functions of the Executive are not confined to the execution of laws made by the Legislature and already in existence. Articles 73 and 162 indicate that the powers of the Executive of the Union and of a State are co-extensive with the legislative power of the Union and of a State, as the case may be. While the Executive can not act against the provisions of a law, it does not follow that in order to enable the Executive to function relating to a particular subject, there must be a law already in existence, authorising such action.²⁸

2. Once a law is passed, the executive power can be exercised only in accordance with such law so far as it goes, but the Government is not debarred from exercising its executive power merely because a Bill relating to the subject is pending before the Legislature.²⁹

3. Legislation may, however, be required where the Constitution itself provides that the act can be done by legislation, e.g., for the imposition of tax [Art. 265]; for expenditure of money [Art. 266(3)];³⁰ encroaching upon fundamental rights. [Art. 19(2)(6)] or other legal rights³¹ [e.g., Art. 310A].

26. *Common Cause, A Registered Society v. Union of India*, (1999) 6 SCC 667 (para 145) : AIR 1999 SC 2979.

27. *J. R. Raghupathy v. State of A.P.*, AIR 1988 SC 1681 : (1988) 4 SCC 364.

28. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (232-36) : AIR 1955 SC 549. [Specific legislation is not required for enabling the State to carry on a trade or business.]; *Narandas Indurkha v. State of M.P.*, AIR 1974 SC 1232 : (1974) 4 SCC 768; *Bishambar Dayal Chandra Mohan v. State of U.P.*, AIR 1982 SC 32 (para 20) : (1982) 1 SCC 37.

29. *Joseph Valamangalam, Ret. Fr. v. State of Kerala*, AIR 1958 Ker. 290 : 1958 Ker. LT 233.

30. The words "specified in Part A . . . First Schedule" have been omitted by the Constitution (7th Amendment) Act, 1956; *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (232-36) : AIR 1955 SC 549. [Specific legislation is not required for enabling the State to carry on a trade or business.]

31. *State of M.P. v. Bharat Singh, Thakur*, AIR 1967 SC 1170 (pages 5-7) : 1967 (2) SCR 454.

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Proviso.—The effect of this Proviso is that in the Concurrent sphere, the Union will not have executive power, unless—

- (a) the Constitution itself; or
- (b) a law made by Parliament, expressly provides to that effect.

It follows that in so far as the executive power which is specifically vested in the Union by Art. 298 (carrying on of trade, disposal of property, and making of contracts) is concerned, it will not be governed by the Proviso to Art. 73.³²

Power to change executive order or policy.—1. Where the Constitution does not require an action to be taken only by legislation or there is no existing law to fetter the executive power of the Union (or a State, as the case may be), the Government would be not only free to take such action by an executive order or to lay down a policy for the making of such executive orders as occasion arises, but also to change such orders or the policy itself, as often as the Government so requires,³³ subject to the following conditions:

- (a) Such change must be made in the exercise of a reasonable discretion, and not arbitrarily.³⁴
- (b) The making or changing of such order is made known to those concerned.³⁵
- (c) It complies with Art. 14, so that persons equally circumstanced are not treated unequally.³⁶
- (d) It would be subject to judicial review.³⁷

2. Subject to the same conditions as above, the Government can review an executive or administrative order or relax the conditions of its policy.³⁸

Enforceability of non-statutory administrative rules or orders.—Though Art. 73 empowers the Government to issue rules or instructions, these must give way to provisions of any law or Rules made in exercise of the power conferred by Art. 309.³⁹ [see, further, under Art. 309, *post*].

Administrative instructions have no statutory effect on the operation of law and cannot override the same.⁴⁰

Arts. 73 and 298.—1. These two Articles are to be read together to determine the extent of executive power of the State to carry on a trade or business.⁴¹

2. Since the executive power of the Union extends to matters with respect to which Parliament has power to make laws, the executive power of the Union Government extends to lotteries organised by the Government of India or of a State, by reason of Entry 40 of List I. But Art. 73 is subject 'to the provisions of the Constitution', including Art. 298. Now, Proviso (b) to Art. 298 says that the executive power of a State may extend to a trade or business with respect to which the State Legislature has no power to make laws, subject to the condition that such executive power of a State shall be 'subjective to legislation by Parliament'. Hence, in the absence of legislation by Parliament, a State Government may, by its executive power, control sale in the State of lotteries organised by the Government of India, and for that no permission from the Government of India

32. *Tirukula Development Co-opn. v. State of Assam*, AIR 1961 Assam 133 (735).
 33. *Sangwan Col. A.S. v. Union of India*, AIR 1981 SC 1545 (para 4) : 1980 Supp. SCC 559.
 34. *Sangwan Col. A.S. v. Union of India*, AIR 1981 SC 1545 (para 4) : 1980 Supp. SCC 559.
 35. *Sangwan Col. A.S. v. Union of India*, AIR 1981 SC 1545 (para 4) : 1980 Supp. SCC 559.
 36. *Sangwan Col. A.S. v. Union of India*, AIR 1981 SC 1545 (para 4) : 1980 Supp. SCC 559.
 37. *Verma, R.R. v. Union of India*, AIR 1980 SC 1461 (para 5) : (1980) 3 SCC 402.
 38. *Verma, R.R. v. Union of India*, AIR 1980 SC 1461 (para 5) : (1980) 3 SCC 402.
 39. *Palanis Romkrishnaiah v. Union of India*, (1989) 2 SCC 541 (paras 10-11) AIR 1990 SC 166 : 1989 (2) LLJ 47; *Union of India v. Somasundaram Virwanath*, (1980) 1 SCC 175 (para 6) : AIR 1988 SC 2255.
 40. *Rentan Kumar Tandon v. State of U.P.*, (1997) 2 SCC 161 (para 12) : AIR 1996 SC 2710.
 41. *Antai H. v. State of Maharashtra*, AIR 1984 SC 751 (para 9) : (1984) 2 SCC 292.

would be required, because Proviso (b) to Art. 298 does not make this executive power of the State subject to 'the executive power of the Union'.⁴²

Council of Ministers

Council of Ministers to aid and advise President.

Art. 74. (1) There shall be a Council of Ministers with the Prime Minister at the head to aid and advise the President who shall, in the exercise of his functions, act in accordance with such advice.⁴³

⁴⁴Provided that the President may require the Council of Ministers to reconsider such advice, either generally or otherwise, and the President shall act in accordance with the advice tendered after such reconsideration.⁴⁵

(2) The question whether any, and if so what, advice was tendered by Ministers to the President shall not be inquired into in any court.

Amendments.—Article 74 has been amended in 1976 and 1978, by the Constitution (42nd) and (44th) Amendment Acts.

Cl. (1): Use of British conventions to interpret Arts. 74-75.—1. It is now settled that since the Cabinet system of Government has been introduced into the Indian Constitution from the British model⁴⁶ and since all the conventions can not possibly be codified exhaustively, it would be legitimate to refer to the British conventions in interpreting the provisions of Arts. 74-75, unless, of course, they are excluded or modified by these or other provisions of the Constitution of India.⁴⁷

2. The Court can not refuse to entertain a question as 'political' if it involves the interpretation of the Constitution or of a statute, which is a judicial function.⁴⁸ In the Rajasthan case,⁴⁹ BEG, C.J., observed (para 59) that "it is not for the Courts to formulate, and much less, to enforce a convention, however, necessary" but the consensus of opinion in the Supreme Court,⁵⁰ as just stated, is to the effect that the conventions of the British Cabinet system, as they obtained when our Constitution was adopted, are admissible to interpret the provisions relating to the Cabinet system under Art. 74⁵¹ and the following Articles of our Constitution.

Relation between the President and the Council of Ministers.⁵²—1. Though we have an elected President, the present Article introduces the same system of parliamentary executive as in England and reduces the President to a formal or constitutional head of the executive, the real power being exercised by the Council of Ministers.⁵³ All the powers that are vested by the Constitution in the President, must be exercised on the advice of the Ministers

42. *Anwar H. v. State of Maharashtra*, AIR 1984 SC 761 (para 9) : (1984) 2 SCC 292.

43. The italicised words were added to Cl. (1), by the Constitution (42nd Amendment) Act, 1976.

44. The Proviso was inserted by the Constitution (44th Amendment) Act, 1978.

45. The Proviso was inserted by the Constitution (44th Amendment) Act, 1978.

46. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (238) : AIR 1955 SC 549; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (para 27) : (1974) 2 SCC 831 : 1974 (2) LJ 465.

47. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (238) : AIR 1955 SC 549; *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 2, 4, 12) : (1971) 2 SCC 63.

48. *State of Rajasthan v. Union of India*, AIR 1977 SC 1361 (paras 30, 34-36, 143-44) : (1977) 2 SCC 592.

49. *State of Rajasthan v. Union of India*, AIR 1977 SC 1361 (paras 30, 34-36, 143-44) : (1977) 2 SCC 592.

50. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (238) : AIR 1955 SC 549; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (para 27) : (1974) 2 SCC 831 : 1974 (2) LJ 465; *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 2, 4, 12) : (1971) 2 SCC 63.

51. The leading judgment is that of the 9-judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-judges.

52. The leading judgment is that of the 9-judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-judges.

53. *Ram Jawaya Kapur, Rai Sahib v. State of Punjab*, (1955) 2 SCR 225 (238) : AIR 1955 SC 549; *Sunjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (1106) : (1970) 1 SCC 443.

responsible to the Legislature as in England, because of the mandatory requirement of Cl. (1) of Art. 74.⁵⁴

2. It is also to be noted, in this context, that in the case of the President, there is no provision corresponding to the latter part of Cl. (1) and Cl. (3) of Art. 163, according to which the Governor need not act with the advice of his Council of Ministers as regards those functions which he is, by the Constitution, authorised to act 'in his discretion'. In the case of the President there is no such exception of discretionary functions, and the obligation to act according to the advice of the Council of Ministers fastens to the entire realm of the President's functions.

3. The foregoing interpretation given by the Supreme Court to the original Cl. (1),⁵⁵ has been buttressed by the 42nd Amendment, 1976, by adding the italicised words at the end of Cl. (1), using the imperative word 'shall'.

4. The only change made by the 44th Amendment Act, as regards this amendment, is to add a proviso, which empowers the President to ask the Council of Ministers to *reconsider* their advice, but if they insist after such reconsideration, he shall be bound to act according to their advice.

5. But the introduction of the word 'shall' is bound to raise other controversies. Though, literally, the word 'shall' indicates an absolute imperative, it was pointed out by the Supreme Court in its pre-1976 decision⁵⁶ that there are certain exceptional cases where, in the nature of things, the President *can not* act according to the advice of the Council of Ministers. The question is, whether even in these exceptional circumstances, the 1976-amendment would require the President of India to seek and act according to the advice of a Council of Ministers. Of course, these exceptions are based on the English system of Cabinet government which has been imported into India.⁵⁷ The question whether these exceptions would survive the imperative text introduced by the 1976-amendment has to be solved by applying the canons of interpretation.

6. One of the canons of interpretation is that though the word 'shall' indicates an absolute imperative, the Court may acknowledge exceptions where the former construction would lead to an *absurdity*.⁵⁸ Applied to the question of ministerial advice, it would appear that the President can not be required to act according to ministerial advice where such advice is not available or the function is inherently of such a nature that it can not be performed with the advice of the existing Council of Ministers. The question should be answered with reference to the several relevant circumstances separately:

1. *Choice of the Prime Minister.* A new Prime Minister has to be appointed when a Prime Minister in office either dies or resigns, thus, dissolving the entire Council of Ministers. In *England*, it is settled, that though the Crown has to act, as a constitutional ruler, only on the advice of his Council of Ministers, through the Prime Minister, there are certain exceptional circumstances in which the advice of a Prime Minister is *not available*,⁵⁹ and, therefore, the Crown is entitled to act in the exercise of his own judgment. One such occasion takes place when a Prime Minister dies or resigns. Obviously, the advice of the Prime Minister in office can not be available when he is dead or his office ceases by resignation.

(a) In the selection and appointment of a new Prime Minister, in such a contingency, the Crown can not act according to the advice of *any* Prime Minister.⁶⁰

54. *Rao, U.N.R. v. Indira Gandhi*, AIR 1971 SC 1002 (1005) : (1971) 2 SCC 63; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

55. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (para 27) : (1974) 2 SCC 831 : 1974 (2) LLJ 465.

56. *Rao, U.N.R. v. Indira Gandhi*, AIR 1971 SC 1002 (1005) : (1971) 2 SCC 63; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

57. *Sunjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (1106) : (1970) 1 SCC 443; *Rao, U.N.R. v. Indira Gandhi*, AIR 1971 SC 1002 (1005) : (1971) 2 SCC 63; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

58. *State of M.P. v. Azad Bharat Finance Co.*, AIR 1967 SC 276 (para 5) : 1966 Supp. SCR 473; *Hari v. Ahmad*, (1955) 1 SCR 1104 (1125).

59. Dicey, 10th Ed., p. clv.

60. Dicey, 10th Ed., p. clv.

In such a case, therefore, the word 'shall' in the amended Art. 74(1) can not be construed as imperative.

(b) The position would be the same where a Council of Ministers is unseated by a vote of no-confidence and it resigns, but there is no possibility of forming an alternative government, commanding confidence of the majority in the House of People. It has been held by some High Courts⁶¹ that in such a situation, the President may select some member of the House who, in his estimation, is more likely to command a majority in the House, and ask him to form a Council of Ministers; and that even if the latter fails to secure a vote of confidence or otherwise establish his command over the majority, he may be asked to continue with his Council of Ministers until another House is elected after dissolution. It is clear, therefore, that in the choice and appointment of a person as the Prime Minister, under Art. 75(1), the President can not, possibly act according to the advice of any Council of Ministers. The choice of a new Prime Minister after the death or resignation of a Prime Minister is, thus, an exceptional circumstance, when the President has to act according to his discretion, notwithstanding the 1976-amendment of Art. 74(1).

The Supreme Court has held that the President, while exercising the executive power under Art. 73, read with Art. 53, discharges such of those powers which are exclusively conferred on his individual discretion (like appointing the Prime Minister under Art. 75), which are not open to judicial review.⁶²

II. *Advice of dissolution.* Article 85(2) empowers the President to dissolve the House of the People at any time, prior to its usual term provided in Art. 83(2). Under amended Art. 74(1), this function can, *prima facie*, be exercised only according to the advice of the Council of Ministers. If, therefore, a Prime Minister, in office, advises the President to dissolve Parliament, the President can ask the Council of Ministers, once, to reconsider, but he can not eventually refuse to oblige the Prime Minister.

In *England*, dissolution is a royal prerogative⁶³ but by convention, this power can normally be exercised by the Crown only according to the advice of the Cabinet, through the Prime Minister. But there is a further convention that there are exceptional circumstances in which the Crown would be justified in refusing dissolution to a Prime Minister,⁶⁴ e.g.—

- (i) Where an alternative government can be formed with another person as the Prime Minister, to carry on the administration with a working majority, for a reasonable period.
- (ii) Where there is a general feeling that a fresh election would be detrimental to the national economy, particularly when the request for dissolution comes closely on the last election.
- (iii) Where a Prime Minister who has advised dissolution, is defeated at the General Election which ensues, and requests for a dissolution again.

On the contrary, there is a group of publicist in *England*, who are of the opinion that there has been no instance of a refusal by the Crown of dissolution as advised by a Prime Minister during one century and that there are instances where, even in exceptional circumstances, the Sovereign has

61. *Dinesh Chandra Pande v. Chwan Singh Chaudhury*, AIR 1980 Del 114; *Madan Murari Verma v. Chaudhuri Charni Singh*, AIR 1980 Cal. 95 (para 9) : 84 Cal. WN 145.

62. *R.K. Jain v. Union of India*, (1993) 4 SCC 119 (para 55) : AIR 1993 SC 1769.

63. HALLS, 4th Ed., Vol. 8, paras 819, 933.

64. WADE & PHILLIPS, *Constitutional Law*, 1970, pp. 84, 120; de Smith, *Constitutional and Administrative Law*, 1973, pp. 104-106; HOOD PHILLIPS, *Constitutional and Administrative Law*, 1978, pp. 148-49; KITCH, *Cabinet Government*, p. 301. Article 13(2)(b) of the Constitution of Eire, 1937, without enumerating any exceptional circumstances, provides that where a Prime Minister has lost the support of a majority in the lower Chamber of Parliament, advises a dissolution, the President shall have an 'absolute discretion to refuse' dissolution. Article 12 of the Constitution of the Fifth French Republic, 1958, says that the power to dissolve the House of Representatives belongs to the President who may exercise it 'after consultation with the Premier and the Presidents of the Assemblies'; but that 'no further dissolution shall take place within a year' following a general election which is held as a result of a dissolution under this Article. In other words, there can not be two dissolutions within one year, under any circumstances.

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yielded in the last resort, so that it may be said that the Sovereign's right to refuse dissolution has become obsolete in practice.⁶⁵ In Halsbury's 4th Edition, it is bluntly stated: "... in the exercise of this prerogative the Sovereign acts upon the advice of the Prime Minister unless he is to dismiss him."⁶⁶

In this state of the English convention, it must be said that it is not unimaginable that an impartial head of the State shall have no power to refuse dissolution when so advised by the Prime Minister. In India, the power to dissolve does not stem from any prerogative, but from the provisions of the Constitution, saddled with the imperative 'shall' in Art. 74(1), as amended in 1976. In the case of a dissolution, the Prime Minister advises dissolution, while still in office. Hence, it can not be said that this is a situation where no advice of a Prime Minister is available.

Considering all circumstances, it may be concluded that under the Constitution of India as it stands, the President shall have no discretion to reject the advice of a Prime Minister for dissolution, as in Japan.⁶⁷

III. *Constitutional requirement to act according to the advice of some other authority.* More difficult would be the cases where the Constitution requires the President to take the advice of some other authority, e.g., (a) the Chief Justice of India, in the matter of determination of the age of a High Court Judge, under Art. 217(3); (b) the Election Commission, on a question of disqualification of a member of Parliament, under Art. 103(2).

(a) Now, so far as Art. 103(2) is concerned, the situation was sought to be disturbed by the 42nd Amendment, 1976, but the original text of the Article has been restored by the 44th Amendment Act, 1978, which lays down that—

"The President shall obtain the opinion of the Election Commission and shall act according to such opinion."

This change in the Constitution, being subsequent to the 1976-amendment of Art. 74(1), must override the word 'shall' in Art. 74(1), and it must be concluded that in the matter of deciding a question of disqualification of a Member of Parliament, the President can not act according to the advice of his Council of Ministers and that this is an exception to Art. 74(1), *ingrafted by the Constitution itself.*

(b) But the text of Art. 217(3), *post*, is different from that in Art. 103(2). It does not say that the President 'shall act according to such opinion' but merely requires the President to decide 'after consultation with the Chief Justice'. Since no change in the text of this provision has been made subsequent to the 1976-Amendment to Art. 74(1), it is now clear that the requirement to consult a third party, does not dispense with the overall requirement to act according to the advice tendered by the Council of Ministers, after considering the opinion of such third party. The file, after obtaining the Chief Justice's opinion, must not pass through the Home Minister, who is to advise the President as to whether the President should or should not act according to the view of the Chief Justice. The constitutionality of such procedure would no longer be open to judicial review.⁶⁸

IV. *Arts. 111 : 200.* It was casually suggested by Ray, the then C.J. for the majority in *Samsher's case*⁶⁹ (para 56) that the function of giving or withholding his assent to a Bill under

65. HALSBURY, 4th Ed., Vol. 8, para 938.

66. HALSBURY, 4th Ed., Vol. 8, para 938.

67. In this context, it may be pointed out that there is no room for the Emperor to refuse dissolution to a Prime Minister, under the Japanese Constitution of 1946. Article 3 of this Constitution lays down, generally, that "the advice and approval of the Cabinet shall be required for all acts of the emperor in matters of state..." One of such matters of state is 'the dissolution of the House of Representatives' to be performed 'with the aid and advice of the Cabinet' (Art. 7) (see Author's *Select Constitutions of the World*, 2nd Ed., pp. 227-28).

68. The observations made in *Jyoti Prakash's case* [AIR 1965 SC 961 (para 29) : 1965 (2) SCR 53; *Union of India v. Jyoti Prakash Mitter*, AIR 1971 SC 1093 (para 31) : (1971) 1 SCC 398; "there must be no interposition of any other body or authority, in the consultation between the President and the Chief Justice of India... The President acting under Art. 217(3) performs a judicial function... can not act on the advice of his Ministers"], appear to be, superseded by the 1976-amendment of Art. 74(1).

69. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

Art. 200 was "another instance where the Governor may act irrespective of any advice from the Council of Ministers".

- (a) Now, so far as the President's power under Art. 111 is concerned, the 1976-Amendment of Art. 74(1) leaves no doubt that this power of the President must also be exercised according to ministerial advice, because while exercising this power, ministerial advice would be available and the function is not such that (like the choice of a Prime Minister) it can not be exercised according to ministerial advice.
- (b) As regards the Governor's corresponding power under Art. 200, obviously, it is not included in the list of his functions which are to be exercised 'in his discretion'.

Some complication is, however, introduced by the fact that there is the second Proviso to Art. 200 as well as some other provisions in the Constitution, e.g., the 1st Proviso to Art. 31A which makes it obligatory for the Governor not to give his assent to a Bill, even though he may be so advised by his Ministers, but to reserve the Bill for consideration of the President, in the specified cases. In such cases, if the Governor acts according to ministerial advice, contrary to the express provisions of the Constitution, his assent would be void.⁷⁰

The question is whether even outside these cases, the Governor has the implied authority to withhold his assent and reserve the Bill for the consideration of the President. RAY, C.J. opined,⁷¹ (para 56) that even in these cases the Governor would be justified to act according to 'the best of his judgment' and to 'pursue such courses which are not detrimental to the State'. It is quite possible that when different political parties are in power at the Union and the State levels, the Council of Ministers of a State may not like sensitive legislative measures to be forwarded to the President for acting according to the views of the Union Council of Ministers. Can the Governor, in such a situation, withhold his assent against the advice of his Council of Ministers, on the ground that such advice of Ministers, responsible to the State Legislature, would be detrimental to the national interest? The advocates of State power would point out that the power under Art. 200 stands, outside the list of discretionary powers or functions under the Constitution as well as those express provisions which make it obligatory for the Governor to reserve a Bill for the President's consideration. Such contention deserves a fuller consideration by the Supreme Court in some future case, because the *pros and cons* do not appear to have been fully examined in *Samsler's case* (para 56).⁷²

'In the exercise of his function'.--1. These words are not qualified by any other condition. Hence, the obligation to act according to the advice tendered by the Council of Ministers would embrace all the functions which the President is entitled to discharge under this Constitution, e.g., whether they appertain to the 'executive power of the Union' under Art. 53(1), *ante*,⁷³ or they are specifically vested in the President,⁷⁴ e.g., by Art. 123(1) or 309, Proviso, or 310, or 311(2), Prov. (c);⁷⁵ 317, 352(1), 356, 360⁷⁶—even though the function may be quasi-judicial.⁷⁷

2. The same principle has been extended even to functions which are vested in the President (or a Governor) by a *statute*,⁷⁸ apart from the Constitution,—the reason being that the President like

70. Cf. *State of Bihar v. Kameswar*, AIR 1962 SC 252 (265) : 1962 SCR 889.

71. *Samsler Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

72. *Samsler Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831; It is to be noted that in the concurring judgment of YESU, J., in *Samsler's case* (para 153 of AIR 1974 SC 2192) : 1974 (2) LLJ 465, Art. 200 is not mentioned as an *exceptionis* case.

73. *Samsler Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 33, 32) : (1974) 2 SCC 831.

74. *Samsler Singh v. State of Punjab*, AIR 1974 SC 2192 (paras 43, 44, 47, 143-44) : (1974) 2 SCC 831 : 1974 (2) LLJ 465.

75. *Samsler Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

76. *Samsler Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32) : (1974) 2 SCC 831.

77. *Union of India v. Sripati Ranjan Biswas*, (1976) 1 SCWR 173 : AIR 1975 SC 1755 : (1975) 4 SCC 699 : 1975 (2) LLJ 363; *State of Maharashtra v. Narayan Shamrao Puranik*, AIR 1982 SC 1198 (para 4) : (1982) 2 SCC 440.

78. *Union of India v. Sripati Ranjan Biswas*, (1976) 1 SCWR 173 : AIR 1975 SC 1755 : (1975) 4 SCC 699 : 1975 (2) LLJ 363; *State of Maharashtra v. Narayan Shamrao Puranik*, AIR 1982 SC 1198 (para 4) : (1982) 2 SCC 440; Cf. *Kalyan Singh v. State of U.P.*, AIR 1962 SC 1183 : 1962 Supp. (2) SCR 76; *Ishwari Lal v. State of Gujarat*, AIR 1968 SC 870;

the English Crown, is a mere constitutional head, who is not personally responsible to the law for any of his acts (Art. 361, *post*), each of which is to be done under ministerial advice,⁷⁹ [See also under Art. 77(1), *post*.]

3. The same principle identifies the President (or the Governor) with the Government of India (or the State Government), so that where any statute confers a power upon the Government of India (or the State Government), it would come within the purview of Art. 77⁸⁰ (for Art. 163).⁸¹

The Proviso.—Even in *England*, where the Monarch is a constitutional ruler, he retains the right 'to be consulted, to encourage and to warn'. That right of the constitutional head is incorporated in the Constitution of India, by this amendment. In the result, though the President shall be bound to act according to ministerial advice (except in few cases when such advice is not available), it "does not necessarily mean immediate acceptance of the Ministry's first thoughts. The President can state all his objections to any proposed action and ask his Ministers in Council, if necessary, to reconsider the matter. It is only in the last resort that he must accept their final advice".⁸²

The insertion of the Proviso seems to have been inspired by the aforesaid observation⁸³ of IYER, J. in *Samsher's case*.⁸⁴ It would save the President from being impeached for refusing to act according to the advice of the Council of Ministers in the first instance. But if he refuses to act according to the reconsidered advice of the Council of Ministers or acts contrary to their advice without sending the matter back for their reconsideration, he shall render himself liable to impeachment.

[For further comments, see under Art. 163(3), *post*.]

Cl. (2) : Jurisdiction of Courts barred.—1. This Clause embodies the principle of confidentiality and secrecy of Cabinet deliberations and of the advice tendered by the Council of Ministers to the President, who has the power to dismiss them. Even though after the 1976 amendment of Cl. (1), the President is bound to act according to the advice of the Council of Ministers, the Courts are powerless to compel the President to take the advice of the Council of Ministers on any matter and then to act only in accordance with such advice because Courts are barred by the Constitution to compel production of the advice, or the reason behind that advice,⁸⁵ if any, tendered by the Council of Ministers. In short, if any President flouts the Council of Ministers, the latter may proceed against him *politically*, by way of impeachment, but can not obtain any legal relief⁸⁶ from the Courts.

2. If, however, the Government produces the papers showing what advice was in fact tendered by the Council of Ministers to the President, e.g., where *mala fides* is alleged, there is no bar to the Court looking into such papers and to come to its findings on the basis thereof.⁸⁷ Similar would be the position if the Government, for any reasons, discloses to the public the advice tendered to the President or the reasons therefor.⁸⁸

Capital Multi-Purpose Co-op Soc. v. State of M.P., AIR 1967 SC 1815; *Naqetwara Rao, G. v. A.P.S.R.T.C.*, AIR 1959 SC 308 (para 27); 1959 Supp. (1) SCR 319.

79. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (7 Judges) (paras 27, 30, 32); (1974) 2 SCC 831; *Sanjevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (para 11); (1970) 1 SCC 443.
80. *Cl. Sharma, R. C. v. Union of India*, AIR 1976 SC 2037; (1976) 3 SCC 574.
81. *Sanjevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (para 11); (1970) 1 SCC 443.
82. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (para 118); (1974) 2 SCC 831; 1974 (2) LLJ 465.
83. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (para 118); (1974) 2 SCC 831; 1974 (2) LLJ 465.
84. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (para 118); (1974) 2 SCC 831; 1974 (2) LLJ 465.
85. *State of Punjab v. Sodhi Sukhdev Singh*, AIR 1961 SC 403 (paras 3, 42); 1961 (2) SCR 371; *Bittnder Singh Rao v. Union of India*, AIR 1968 P. & H. 441 (paras 9, 15); *Vidyasagar Singh v. Krishna Ballabha Sahay*, AIR 1965 Pat. 321 (para 5).
86. See elaborate treatment in Author's *Commentary on the Constitution of India*, 6th Ed., Vol. F, pp. 318 et seq.
87. *Cl. Jyoti Prakash Mitter v. Chief Justice, Calcutta High Court*, AIR 1965 SC 961 (paras 1, 17, 25, 26); 1965 (2) SCR 53; *Union of India v. Jyoti Prakash Mitter*, AIR 1971 SC 1093 (paras 12, 22); (1971) 1 SCC 306.
88. *State of Rajasthan v. Union of India*, AIR 1977 SC 1361 (paras 82-83); (1977) 2 SCC 592.

3. But though the Court can not compel the Government to produce the advice tendered by the Ministers to President or the reasons therefor, there is nothing to prevent the Court to compel production of the materials upon which the advice or its reasoning was based, because the 'materials' can not be said to be a part of the advice.⁸⁹ In other words, the bar of judicial review is confined to the factum of advice but not the reasons, i.e. the material on which the advice is founded,⁹⁰ e.g., the correspondence between the Ministers and the Chief Justice of India or of Delhi, in the matter of transfer of or confirmation of certain Additional Judges, on the basis of which the Council of Ministers tendered their advice.⁹¹ Upon such disclosure of the materials, it is competent for the Court to give relief to the litigant in cases of non-compliance with constitutional requirements⁹² or of *mala fides*.⁹³

4. It is the duty of Supreme Court to prevent disclosure when Art. 74(2) is applicable. "The notings of the officials which lead to the Cabinet decision form part of the advice tendered to the President as the Act was preceded by an Ordinance promulgated by the President. . . . It is well settled that the privilege can not be waived". (The claim for production of documents in question was rejected.⁹⁴)

The immunity claimed under Art. 74(2) and s. 123 of the Indian Evidence Act can not be claimed by way of mere administrative routine. The factors to decide the public interest immunity would include (a) the interests affected by their disclosure; (b) where the class of privileged documents is invoked, whether the public interest immunity for the class is said to protect; (c) the extent to which the interests have become stale by passage of time; (d) the seriousness of the issues; (e) the likelihood that the production of documents will affect the outcome of the case; (f) the likelihood of injustice if the documents are not produced.⁹⁵

Arts. 74(2) and 356(1).—Article 74(2) is not a bar against the scrutiny of the material on the basis of which the President has arrived at his satisfaction for issuing the Proclamation under Art. 356(1) [paras 91, 167(II), 453(6)].⁹⁶ It merely bars an inquiry into the question whether any, and if so, what advice was tendered by the Ministers to the President.⁹⁷

What Art. 74(2) provides is that an order issued in the name of the President could not be questioned on the ground that it was either contrary to the advice tendered by the Ministers or was issued without obtaining any advice from the Ministers [para 90].⁹⁸

2. It does not bar the Court from calling upon the Union of India to disclose to the Court the material upon which the President has formed the requisite satisfaction. Even if the material is looked into by the President, it does not partake the character of advice [para 453(6)].⁹⁹

89. *Gupta, S.P. v. Union of India*, AIR 1982 SC 149 (paras 60, 61) : 1981 Supp. SCC 87.

90. *R.K. Jain v. Union of India*, (1993) 4 SCC 119 (paras 54-55) : AIR 1993 SC 1769.

91. Anything said to the contrary in *State of Punjab v. Sodhi Sukhdev Singh*, AIR 1961 SC 493 : 1961 (2) SCR 371 has been overruled by the 7-Judge Bench in *Gupta's case*, AIR 1982 SC 149 : 1981 Supp. SCC 87, which again has been considered by a 3-Judge Bench, in *Jain v. Union of India*, (1993) 25 ATC 464 (para 16) : AIR 1993 SC 1769 : (1993) 4 SCC 119.

92. Anything said to the contrary in *State of Punjab v. Sodhi Sukhdev Singh*, AIR 1961 SC 493 : 1961 (2) SCR 371 has been overruled by the 7-Judge Bench in *Gupta's case*, AIR 1982 SC 149 : 1981 Supp. SCC 87, which again has been considered by a 3-Judge Bench, in *Jain v. Union of India*, (1993) 25 ATC 464 (para 16) : AIR 1993 SC 1769 : (1993) 4 SCC 119.

93. Anything said to the contrary in *State of Punjab v. Sodhi Sukhdev Singh*, AIR 1961 SC 493 : 1961 (2) SCR 371 has been overruled by the 7-Judge Bench in *Gupta's case*, AIR 1982 SC 149 : 1981 Supp. SCC 87, which again has been considered by a 3-Judge Bench, in *Jain v. Union of India*, (1993) 25 ATC 464 (para 16) : AIR 1993 SC 1769 : (1993) 4 SCC 119.

94. *Doyyappa Systems Pvt. Ltd. v. Union of India*, AIR 1988 SC 782 : (1988) 2 SCC 299.

95. *R.K. Jain v. Union of India*, (1993) 4 SCC 119 (paras 54-55) : AIR 1993 SC 1769.

96. The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.

97. The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.

98. The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.

99. The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.

3. Notwithstanding Art. 74(2), it is open to the Court to inquire [paras 2, 167(II), 453]¹—
- whether there was *any* material on the basis of which the advice was given;
 - whether such material was relevant for such advice [paras 90, 93];²
 - whether the material was such that the President, as a reasonable man, could have come to the conclusion in question, *viz.*, his satisfaction as to the existence of the condition precedent for the exercise of the power under Art. 356,—that a situation has arisen in which the Government of the State can not be carried on in accordance with the provisions of the Constitution.

In other words, though the sufficiency or otherwise of the material can not be questioned, the *legitimacy* of the inference drawn from such material is open to judicial review [para 90].

- whether the Union of India can claim privilege under s. 123 of the Evidence Act is a different question [paras 92-93, 453(6)].³

Art. 75. (1) The Prime Minister shall be appointed by the President and the other Ministers shall be appointed by the President on the advice of the Prime Minister.

- Other provisions as to Ministers.**
- The Ministers shall hold office during the pleasure of the President.
 - The Council of Ministers shall be collectively responsible to the House of the People.
 - Before a Minister enters upon his office, the President shall administer to him the oaths of office and of secrecy according to the forms set out for the purpose in the Third Schedule.
 - A Minister who for any period of six consecutive months is not a member of either House of Parliament shall at the expiration of that period cease to be a Minister.

(6) The salaries and allowances of Ministers shall be such as Parliament may from time to time by law determine and, until Parliament so determines, shall be as specified in the Second Schedule.

Cl. (3): Ministerial responsibility.—Read with Art 74(1), the present clause means that the Council of Ministers, appointed by the President, must enjoy the confidence of the House of the People. But Art 75(3) can not *possibly* have any application when the confidence of the House can not be expressed because it has been dissolved or prorogued, under Art. 85(2),⁴ or Art. 83(2). There is no question of the Ministry losing the confidence of the House when merely the session of the House has been prorogued. Similarly, when the House itself has ceased to exist, owing to its dissolution, whether by the lapse of time or by the order of the President, as advised by the Council of Ministers, there can not be any question of ascertaining the confidence of the House until an election is held and a fresh House elected. Article 75(3) must, therefore, be read subject to

- The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.
- The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.
- The leading judgment is that of the 9-Judge Bench in *Bommai, S.R. v. Union of India*, (1994) 3 SCC 1 : AIR 1994 SC 1918 - 9-Judges.
- Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (para 10) : (1971) 2 SCC 63.

the exception—"except when the House stands dissolved or prorogued".⁵ The Minister includes the Prime Minister, even if he is not a member of either House of Parliament.⁶

Hence, when upon the fall or resignation of a Council of Ministers, the President accepts the advice of the Prime Minister to dissolve the House of the People but asks the outgoing Prime Minister to carry on until a new House is constituted after election, the title of the Prime Minister, during the period of dissolution, can not be challenged on the ground that it contravenes the condition of responsibility laid down by Art. 75(3).⁷

In the Constitution, there is no mention of any office of Deputy Prime Minister. When a senior Minister (Devi Lal), while taking oath, described himself as 'Deputy Prime Minister', it was argued before the Supreme Court that an oath as Deputy Prime Minister being not in accordance with the prescription of the Constitution the appointment of the person taking oath was vitiated. The Court held that as a substantial part of the oath was properly followed, the appointment was valid. Even though described as Deputy Prime Minister, he would have no powers of the Prime Minister and would remain a Minister only.⁸

"Collective responsibility".—It has two meanings : the first that all members of a Government are unanimous in support of its policies and exhibit that unanimity on public occasions although while formulating the policies, they might have differed in the Cabinet meeting; the second that the Ministers, who had an opportunity to speak for or against the policies in the Cabinet are thereby personally and morally responsible for its success and failure.⁹

Appointment of a non-member of Parliament as Minister [Cl. (5)].—A person who is not a member of either House of the Parliament can be appointed a Minister in the Central Cabinet (including a Prime Minister) for a period of six consecutive months and if during that period he is not elected to either House of Parliament he would cease to be so¹⁰ and even if such a non-member is appointed a Prime Minister, he can retain his membership of the State Legislature, if so, during that period.¹¹

The Attorney-General for India

Attorney-General for India. **Art. 76. (1)** The President shall appoint a person who is qualified to be appointed a Judge of the Supreme Court to be Attorney-General for India.

(2) It shall be the duty of the Attorney-General to give advice to the Government of India upon such legal matters, and to perform such other duties of a legal character, as may from time to time be referred or assigned to him by the President, and to discharge the functions conferred on him by or under this Constitution or any other law for the time being in force.

(3) In the performance of his duties the Attorney-General shall have right of audience in all courts in the territory of India.

(4) The Attorney-General shall hold office during the pleasure of the President, and shall receive such remuneration as the President may determine.

5. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (para 10) : (1971) 2 SCC 63.
 6. *S.P. Anand, Indore v. H.D. Deve Gowda*, (1996) 6 SCC 734 (para 16) : AIR 1997 SC 272.
 7. *Rao, U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (para 10) : (1971) 2 SCC 63.
 8. *K.M. Sharma v. Devi Lal*, AIR 1990 SC 528 : (1990) 1 SCC 433.
 9. *Common Cause, A Registered Society v. Union of India*, (1999) 6 SCC 667 (para 31) : AIR 1999 SC 2979.
 10. *S.P. Anand, Indore v. H.D. Deve Gowda*, (1996) 6 SCC 734 (paras 3, 14 and 15) : AIR 1997 SC 272.
 11. *Janak Raj Jai (Dr.) v. H.D. Deve Gowda*, (1997) 10 SCC 462 (para 5).

Conduct of Government Business

Conduct of business of the Government of India.

Art. 77. (1) All executive action of the Government of India shall be expressed to be taken in the name of the President.

(2) Orders and other instruments made and executed in the name of the President shall be authenticated in such manner as may be specified in rules to be made by the President, and the validity of an order or instrument which is so authenticated shall not be called in question on the ground that it is not an order or instrument made or executed by the President.

(3) The President shall make rules for the more convenient transaction of the business of the Government of India, and for the allocation among Ministers of the said business.

(4) 12

Cl. (1) : 'Executive action of the Government of India'.—1. In *Jayantilal's case*,¹³ the majority of the Supreme Court held that the Constitution made a distinction between 'executive power of the Union' [Art. 53(1)] and 'executive functions vested in the President', by various Articles of the Constitution. Since Art. 258(1) referred to the 'executive power of the Union', which could be delegated to a State, in the manner laid down therein, those functions which were vested in the President by name could not be delegated to a State under Art. 258(1), e.g., the function of making an Ordinance under Art. 123(1) was vested in the 'President'; hence, this function could not be delegated by the President to a State, by an order made under Art. 253(1). The functions which were so vested in the President as distinguished from the 'executive power of the Union', were enumerated in this case¹⁴ as: Arts. 123-124; 217; 309-310; 311(2), Prov. (c); 338; 340; 344; 352; 356; 360.

2. Though *Jayantilal's case*¹⁵ was concerned with the application of Art. 258, an expansion thereof was made in the Constitution Bench case of *Sardar Lal*,¹⁶ in relation to Art. 77. Taking the cue from the fact that some of the Articles mentioned in *Jayantilal's case*¹⁷ authorised the President to exercise the specified power only after being satisfied as to the existence of a condition precedent, the unanimous Bench in *Sardar Lal's case*¹⁸ made this other category of power vested in the President and came to hold that wherever the Constitution provided that the President was to exercise a power on his subjective satisfaction, such power must be exercised by the President

12. Clause (4), which was inserted by the Constitution (42nd Amendment) Act, 1976, has been omitted by the 44th Amendment Act, 1978. [See Author's *Constitution Amendment Acts*.]

The omission of the proviso, which debarred the courts from requiring production of Rules of Business, would revive pre-1976 decisions on the power of the Court, such as — *Municipal Corpn. v. Birla Mills*, (1968) 3 SCR 251 (275); AIR 1968 SC 1232; *M/s. Dijoyn Lakshmi Cotton Mills v. State of W.B.*, AIR 1967 SC 1145 (1151); 1967 (2) SCR 406; *Capital Mottis-Purpose Soc. v. State of M.P.*, AIR 1967 SC 1815; 1967 (3) SCR 329; *Sanjevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (1107); (1970) 1 SCC 443.

13. *Jayantilal Amritlal Shodhan v. Rana, F.N.*, AIR 1964 SC 648; 1964 (5) SCR 294. (GAJENDRAGADKAR, SHAH & RAGHUBAR DAYAL, JJ.).
14. *Jayantilal Amritlal Shodhan v. Rana, F.N.*, AIR 1964 SC 648; 1964 (5) SCR 294. (GAJENDRAGADKAR, SHAH & RAGHUBAR DAYAL, JJ.).
15. *Jayantilal Amritlal Shodhan v. Rana, F.N.*, AIR 1964 SC 648; 1964 (5) SCR 294. (GAJENDRAGADKAR, SHAH & RAGHUBAR DAYAL, JJ.).
16. *Sardari Lal, B.K. v. Union of India*, AIR 1971 SC 1547; (1971) 1 SCC 411; 1971 (1) LJ 315 (SHAH, MITTER, HEDGE, GROVER & RAY, JJ.).
17. *Jayantilal Amritlal Shodhan v. Rana, F.N.*, AIR 1964 SC 648; 1964 (5) SCR 294. (GAJENDRAGADKAR, SHAH & RAGHUBAR DAYAL, JJ.).
18. *Sardari Lal, B.K. v. Union of India*, AIR 1971 SC 1547; (1971) 1 SCC 411; 1971 (1) LJ 315 (SHAH, MITTER, HEDGE, GROVER & RAY, JJ.).

personally, so that it could not be delegated to any other person by making Rules of Business under Art. 77(3). In the facts of the case¹⁹ the Court set aside an order of termination of service of a Government servant on the ground that the order of exemption from the requirement of inquiry, under Proviso (c) to Art. 311(2), had been made on the satisfaction of a Joint Secretary to the Government of India, by virtue of power delegated under Art. 77(3), and that the President did not satisfy himself of the need for dispensing with the inquiry by Art. 311(2).

3. The unanimous decision in *Sardarilal's case*²⁰ has, however, been **overruled** by a Special Bench of 7 Judges in *Samsher Singh's case*.²¹ In this case, it has been held that—

- (i) The decision in *Jayantilal*²² was confined to Art. 258, and had no bearing on Arts. 74, 75 and 77.
- (ii) Whenever any 'executive function' was to be exercised by the President, whether such function was vested in the Union or in him as President, it was to be exercised with the advice of the Council of Ministers, the President being a constitutional head of the executive, and was also subject to allocation under Art. 77(3), subject to certain exceptions, which related to extraordinary situations:
 - (a) choice of the Prime Minister;
 - (b) dismissal of a Government which refuses to quit, having lost its majority in the House of the People;
 - (c) dissolution of the House, when appeal to the electorate becomes necessary.²³
- (iii) Even those functions which were required by the Constitution to be performed on the subjective satisfaction of the President [e.g., under Proviso (c) to Art. 311(2)], could be delegated by Rules of Business made under Art. 77(3), to a Minister or to a Secretary to the Government of India, because 'satisfaction' in these Articles [Arts. 123, 213, 311(2), Prov. (c), 317, 352(1), 356, 360], read with other relevant provisions of the Constitution, does not indicate the satisfaction of the President (or the Governor), personally, but in the constitutional sense, the satisfaction of the Council of Ministers who advise the President (or the Governor), which may further be delegated to a particular Minister or official under the Rules of Business framed under Art. 77(3) or 166(3). In such cases, "the decision of any Minister or officer under the Rules of Business . . . is the decision of the President or the Governor respectively".²⁴ However, the order passed by the Minister, though expressed in the name of the President, remains that of the Minister and it cannot be treated to have been issued by the President personally and such an order is subject to judicial review.²⁵

4. The principle laid down in *Samsher Singh's case*²⁶ has been extended to a quasi-judicial function, by a Division Bench of three Judges, in *Union of India v. Sripathi*,²⁷ holding that the appeal

19. *Sardari Lal, B.K. v. Union of India*, AIR 1971 SC 1547 : (1971) 1 SCC 411 : 1971 (1) LLJ 315 (SHAH, MITTER, HEDGE, GROVER & RAY, JJ.).
20. *Sardari Lal, B.K. v. Union of India*, AIR 1971 SC 1547 : (1971) 1 SCC 411 : 1971 (1) LLJ 315 (SHAH, MITTER, HEDGE, GROVER & RAY, JJ.).
21. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (paras 30, 44, 47, 68, 152, 153) : (1974) 2 SCC 831 : 1974 (2) LLJ 465. It is to be noted that RAY, C.J., who wrote the leading judgment in *Samsher's case* was himself a party to *Sardarilal* (AIR 1971 SC 1547) : (1971) 1 SCC 411 : 1971 (1) LLJ 315.
22. *Jayantilal Anrilal Shodhan v. Rana, F.N.*, AIR 1964 SC 648 : 1964 (5) SCR 294. (GAJENDRAGADKAR, SHAH & RAGHUBAR DAVAL, JJ.).
23. *Samsher Singh v. StaO of Punjab*, AIR 1974 SC 2192 (paras 30, 44, 47, 68, 152, 153) : (1974) 2 SCC 831 : 1974 (2) LLJ 465. It is to be noted that RAY, C.J., who wrote the leading judgment in *Samsher's case* was himself a party to *Sardarilal* (AIR 1971 SC 1547) : (1971) 1 SCC 411 : 1971 (1) LLJ 315.
24. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (paras 30, 44, 47, 68, 152, 153) : (1974) 2 SCC 831 : 1974 (2) LLJ 465. It is to be noted that RAY, C.J., who wrote the leading judgment in *Samsher's case* was himself a party to *Sardarilal* (AIR 1971 SC 1547) : (1971) 1 SCC 411 : 1971 (1) LLJ 315.
25. *Common Cause, A Registered Society v. Union of India*, (1989) 6 SCC 667 (para 26) : AIR 1989 SC 2779.
26. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2192 (paras 30, 44, 47, 68, 152, 153) : (1974) 2 SCC 831 : 1974 (2) LLJ 465. It is to be noted that RAY, C.J., who wrote the leading judgment in *Samsher's case* was himself a party to *Sardarilal* (AIR 1971 SC 1547) : (1971) 1 SCC 411 : 1971 (1) LLJ 315.
27. *Union of India v. Sripathi Rurjan Birewar*, (1976) 1 SCWR 173 : AIR 1975 SC 1755 : (1975) 4 SCC 699 : 1975 (2) LLJ 363 (ALIGIRISWAMI, GUSWAMI & LINTWALLA, JJ.).

to the President against an order of dismissal, under a statutory provision could be heard by a Minister or other officer to whom it might be allocated under Rules made under Art. 77(3). The Court seems to have proceeded under the following reasoning :

(a) Dismissal of a Government servant is an 'executive function' even though it involved a quasi-judicial inquiry, so that the whole of the function could be allocated by Rules under Art. 77(3).

(b) Art. 77(3) does not involve any 'delegation'. When a function is allocated, thereunder, the decision of the Minister or Officer who is allocated that function and the order that emerges become the decision and order of the Minister.

5. Previous to *Sripati's case*,²⁸ it had been held, in the context of the parallel provision in Art. 166(3), that when a statute vested a power in the State Government, it could be allocated to a Minister or a specified officer, even though it involved a subjective opinion²⁹ or quasi-judicial function.³⁰

6. *Sripati's case*³¹ extends the foregoing principle to a quasi-judicial function vested by a statutory provision in the 'President'.

The cycle of full Ministerial responsibility is thus now complete, so far as the Courts are concerned, and little remains of the thesis that the President under the Constitution is not, in all respects, a constitutional head of the executive like the British Crown, and this is now placed beyond any controversy, by the 1976-amendment of Art. 74(1), *ante*.

7. It follows from the above that all orders made by the President, whether the function is by the Constitution vested in the Union or in the President by designation, do not require the personal signature of the President. What is required is that they are expressed in the name of the President and are authenticated in the manner laid down in Art. 77(2).³²

Formality for expression of 'executive action'.—See under Art. 166(1), *post*.

How an order may be proved.—See under Art. 166(1), *post*.

Cl. (2): Execution of orders and instruments.—See under Art. 166, *post*.

'Orders and other Instruments.—1. This expression is wide enough to include Orders made under Art. 359(1).³³

2. Of course, this does not include policy decisions, but the implementation thereof in the form of orders which affects the rights of individuals.³⁴

Bar to judicial enquiry.—See under Art. 166(2), *post*. This bar was necessary because the President is not required to exercise his powers personally, nor would he be personally liable for them [Art. 361, *post*].

Cl. (3): Allocation of business.—1. See under Art. 166(3), *post*.

2. What is to be noted, in this context, is that while the Council of Ministers is responsible for each act done by the President (or the Governor) or by the Government of India (or the State Government), and that business of the Council of Ministers may be distributed among the several Ministers, under the present Clause, while the entire Council of Ministers is responsible to the

25. *Union of India v. Sripati Ranjan Biswas*, (1976) 1 SCWR 173 : AIR 1975 SC 1755 : (1975) 4 SCC 699 : 1975 (2) LLJ 363 (ALIGERISWAMI, GOSWAMI & UNIWALLA, JJ.).
29. *Kalyan Singh v. State of U.P.*, AIR 1962 SC 1183 : 1962 Supp. (2) SCR 76; *Iswar Lal Girdharilal Joshi v. State of Gujarat*, AIR 1968 SC 870 : 1968 (2) SCR 257; *Sanjivani Naidu, A. v. State of Madras*, AIR 1970 SC 1182 (6 Judges) : (1970) 1 SCC 443.
30. *Nageswara v. A.P.S.R.T.C.*, AIR 1959 SC 308 (para 27) : 1959 Supp. (1) SCR 319.
31. *Union of India v. Sripati Ranjan Biswas*, (1976) 1 SCWR 173 : AIR 1975 SC 1755 : (1975) 4 SCC 699 : 1975 (2) LLJ 353 (ALIGERISWAMI, GOSWAMI & UNIWALLA, JJ.).
32. *Sharma, D.S. v. Union of India*, AIR 1978 Del. 250 (paras 9, 12, 16).
33. *Ananda Nambiar, K. v. Chief Secy. to the Govt. of Madras*, AIR 1966 SC 657 : 1966 (2) SCR 405.
34. *Dattatreya Moreshtoor v. State of Bombay*, AIR 1952 SC 181 : 1952 SCR 612.

Legislature for all such acts [Art 75(3)], it does not mean that each and every decision must be taken by the Council of Ministers or by each Minister, personally.³⁵

3. Article 77(3) says that, apart from allocating business among the Ministers, the president on the advice of the Council of Ministers, can also make rules for 'the more convenient transaction of the business'. Hence, the Minister is not expected to burden himself with the day-to-day administration. By the Rules of Business framed under Art 77(3), a particular official of a Ministry (say, the Secretary, Joint Secretary or the like) may be authorised to take any particular decision or to discharge any particular function. When such authorised official does any act, so authorised, he does so, not as a delegate of the Minister, but on behalf of the Government.³⁶ Subject to the overall control of the Minister and his right to call for any file or to give directions, the validity of any decision made by an authorised official cannot be challenged on the ground that the decision was taken by an official and not the Minister concerned.³⁷

4. In short, the act of the Minister or official who is authorised by the Rules of Business, is the act of the President (or the Governor) or of the Government of India (or the State Government) in whom the function or power is vested by the Constitution or by any statute.³⁸

5. Merely because a person is elected by the people and inducted as a Minister, he cannot be said to be holding a trust on behalf of the people so as to be liable for any criminal breach of trust.³⁹

Rules of Business.—The power to make Rules of Business under the present Clause may be traced from Art. 53(1) which says that the executive power of the Union shall be exercised by the President directly or through officers subordinate to him in accordance with the Constitution, and Art 74(1), according to which he is required to discharge his functions with the aid and advice of the Council of Ministers. The Rules of Business enable these powers to be exercised by a Minister⁴⁰ or any official subordinate to him, subject to the political responsibility of the Council of Ministers to the Legislature.

Where an article of the Articles of Association of a Govt. company empowered the President of India to issue 'directives' to the company by way of control over it, the Supreme Court held that it need not be issued by him personally and can be issued by the Govt. of India and be duly authenticated.⁴¹

Duties of Prime Minister as respects the furnishing of information to the President etc.

Art. 78. It shall be the duty of the Prime Minister—

- (a) to communicate to the President all decisions of the Council of Ministers relating to the administration of the affairs of the Union and proposals for legislation;
- (b) to furnish such information relating to the administration of the affairs of the Union and proposals for legislation as the President may call for; and
- (c) if the President so requires to submit for the consideration of the Council of Ministers any matter on which a decision has been taken by a Minister but which has not been considered by the Council.

35. *Sanjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (paras 11-12) : (1970) 1 SCC 443.

36. *Sanjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (paras 11-12) : (1970) 1 SCC 443.

37. *Sanjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (paras 11-12) : (1970) 1 SCC 443.

38. *Sanjeevi Naidu, A. v. State of Madras*, AIR 1970 SC 1102 (paras 11-12) : (1970) 1 SCC 443; *Samsher Singh v. State of Punjab*, AIR 1974 SC 2102 (paras 30-31, 35, 48) : (1974) 2 SCC 831 : 1974 (2) LLJ 465.

39. *Common Cause, A Registered Society v. Union of India*, (1999) 6 SCC 667 (paras 159-161) : AIR 1999 SC 2979.

40. *Samsher Singh v. State of Punjab*, AIR 1974 SC 2102 (paras 30-31, 35, 48) : (1974) 2 SCC 831 : 1974 (2) LLJ 465; *Bajaj Lakshmi Mills v. State of W.B.*, AIR 1967 SC 1145 : 1967 (2) SCR 406.

41. *G.D. Zalani v. Union of India*, 1995 Supp (2) SCC 512 (para 36) : AIR 1995 SC 1178.

Arts. 75(3) and 78(c).—The power vested in the President by Cl. (c) of Art. 78 not only enables the President to obtain a reconsideration of an advice tendered by an individual minister but indirectly ensures the principle of collective responsibility laid down in Art. 75(3). Even when the advice has been tendered by the Prime Minister, the President may oblige the Prime Minister⁴² to place it before the entire Council of Ministers [see also Prov. (1) to Art. 74, *ante*].

An extreme analogy of this situation is to be found in Cl. (3) of Art. 352, which has been inserted by the 44th Amendment Act, 1978, relating to the issue or continuation of a 'Proclamation of Emergency'.

Cl. (b)—'Affairs of the Union' relate to those matters to which the executive power [Art. 73 or the legislative power Art. 246(1)-(2)] of the Union extends. The Council of Ministers cannot, and under the provision as it now stands, have no right to withhold any information relating to 'any' such information as may be called for by the President, in his discretion.

⁴². This brake would not, however, be much effective when the Prime Minister has a strong hold upon his or her Party, so that no minister would venture to defy the wishes of the Prime Minister.

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CHAPTER II PARLIAMENT

General

Constitution of Parliament. **Art. 79.** There shall be a Parliament for the Union which shall consist of the President and two Houses to be known respectively as the Council of States and the House of the People.

Composition of the Council of States. **Art. 80.** (1) The Council of States shall consist of—
(a) twelve members to be nominated by the President in accordance with the provisions of clause (3); and

(b) not more than two hundred and thirty-eight representatives of the States and of the *Union territories*.¹

(2) The allocation of seats in the Council of States to be filled by representatives of the States and of the *Union territories*² shall be in accordance with the provisions in that behalf contained in the Fourth Schedule.

(3) The members to be nominated by the President under sub-clause (a) of clause (1) shall consist of persons having special knowledge or practical experience in respect of such matters as the following, namely :—

Literature, science, art and social service.

(4) The representatives of each State^{***3} in the Council of States shall be elected by the elected members of the Legislative Assembly of the State in accordance with the system of proportional representation by means of the single transferable vote.

(5) The representatives of the *Union territories*⁴ in the Council of States shall be chosen in such manner as Parliament may by law prescribe.

Amendment.—The changes made by the Constitution (Seventh Amendment) Act, 1956, are indicated in italics.

Effects of Amendment.—(a) In the original Constitution, representation in the Council of States was confined to the States in Parts A, B and C. By this amendment, it was extended to all the *Union territories* which include the Islands which were included in Part D of the First Schedule.

(b) Consequential changes in the allocation of seats were made in the Fourth Schedule, maintaining intact the original formula of "one seat per million for the first five millions and one seat for every additional two millions or part thereof exceeding one million".⁵

1. Inserted by the Constitution (7th Amendment) Act, 1956.
2. Inserted by the Constitution (7th Amendment) Act, 1956.
3. The words and letters "specified in Part A or Part B of the First Schedule" have been omitted by the Constitution (7th Amendment) Act, 1956.
4. Substituted for the words 'States specified in Part C of the First Schedule', by the Constitution (7th Amendment) Act, 1956.
5. Statement of Objects & Reasons of the Constitution (9th Amendment Bill), 1956.

Cl. (4): Election.—See under Arts. 326—329, *post*.

Proportional Representation.—1. It is a method of election according to which even small parties or minority parties which would otherwise not be able to get any member of their own elected in the system of election by majority vote, would be able to elect some members in proportion to their strength in the college of electors.⁶

2. Though it is primarily intended for multi-member constituencies, it can also work where there is only one person to be elected, e.g., in the case of election of President [Art. 55(3)] or Vice-President [Art. 66(1), *ante*.⁷

Composition of the House of the People. ⁸Art. 81. (1) Subject to the provisions of article 331, the House of the People shall consist of—

(a) not more than five hundred and [thirty]⁹ members chosen by direct election from territorial constituencies in the States, and

(b) not more than twenty¹⁰ members to represent the Union territories, chosen in such manner as Parliament may by law provide.

(2) For the purposes of sub-clause (a) of clause (1),—

(a) there shall be allotted to each State a number of seats in the House of the People in such manner that the ratio between that number and the population of the State is, so far as practicable, the same for all States; and

(b) each State shall be divided into territorial constituencies in such manner that the ratio between the population of each constituency and the number of seats allotted to it is, so far as practicable, the same throughout the State:

¹¹[Provided that the provisions of sub-clause (a) of this clause shall not be applicable for the purpose of allotment of seats in the House of the People to any State so long as the population of that State does not exceed six millions.]

(3) In this article, the expression "population" means the population as ascertained at the last preceding census of which the relevant figures have been published.

¹²[Provided that the reference in this clause to the last preceding census of which the relevant figures have been published shall, until the relevant figures for the first census taken after the year 2000 have been published, be construed as a reference to the 1971 census.]

Amendments.—(a) Art. 81 has been substituted by the Constitution (Seventh Amendment) Act, 1956, for the original Article.

(b) In sub-Cl. (b) of Cl. (1), the figure 25 has been substituted by the Constitution (Fourteenth Amendment) Act, 1962.

(c) By the Constitution (Thirty-first Amendment) Act, 1973, the figures in Cl. (1)(a)-(b) were altered, and the Proviso was added to Cl. (2).

(d) The Proviso to Cl. (3) has been added by the 42nd Amendment Act, 1976.

6. *Suresh Pal Ratawal v. Shamia Ahmad*, AIR 1985 Del. 22 (paras 10-11).

7. *Suresh Pal Ratawal v. Shamia Ahmad*, AIR 1985 Del. 22 (paras 10-11).

8. Substituted by the Constitution (7th Amendment) Act, 1956.

9. Substituted by Act 18 of 1987 w.e.f. 30-5-1987.

10. In Cl. (5) of s. 81, the figure "20" was substituted for "25" by the Constitution (14th Amendment) Act, 1962, and again restored by the Constitution (31st Amendment) Act, 1973, w.e.f. 17-10-1973.

11. Inserted by the Constitution (31st Amendment) Act, 1973.

12. The Proviso has been added to Cl. (3), by the Constitution (42nd Amendment) Act, 1976.

(c) The figures in Cl. (1)(a) were again altered by the Goa, Daman and Diu Reorganisation Act, 1987 to read as 'five hundred and thirty'.

Effects of Amendments.—The principal changes introduced by these Amendments are—

- (a) Grouping of States for the purpose of forming territorial constituencies has been abolished;
- (b) The principle of uniformity of representation amongst the States *inter se* and as amongst territorial constituencies of the same State has been substituted for the numerical minimum prescribed in the original Cl. (1)(b).
- (c) Provision has been made for representation of the Union territories.
- (d) Consequential changes.
- (e) Allotment of seats in different States shall remain frozen till the first census takes place after the year 2000. This was done to allay the fears of the States that those who adopt family planning and reduce the population growth may not suffer erosion of seats.

Application to Jammu & Kashmir.—1. In Art. 81, for Cls. (2) and (3), the following clause shall be substituted,¹³ namely:—

"(2) For the purposes of sub-clause (a) of clause (1),

- (a) there shall be allotted to the State six seats in the House of the People;
- (b) the State shall be divided into single-member territorial constituencies by the Delimitation Commission constituted under the Delimitation Commission Act, 1972, in accordance with such procedure as the Commission may deem fit;
- (c) the constituencies shall, as far as practicable, be geographically compact areas and in delimiting them regard shall be had to physical features, existing boundaries of administrative units, facilities of communication and public convenience; and
- (d) the constituencies into which the State is divided shall not comprise the area under the occupation of Pakistan; and

(3) Nothing in clause (2) shall affect the representation of the State in the House of the People until the dissolution of the House existing on the date of publication in the Gazette of India of the final order or orders of the Delimitation Commission relating to the delimitation of parliamentary constituencies under the Delimitation Act, 1972.

- (4) (a) The Delimitation Commission shall associate with itself for the purpose of assisting it in its duties in respect of the State, five persons who shall be members of the House of the People representing the State.
- (b) The persons to be so associated from the State shall be nominated by the Speaker of the House of the People having due regard to the composition of the House.
- (c) The first nominations to be made under sub-clause (b) shall be made by the Speaker of the House of the People within two months from the commencement of the Constitution (Application to Jammu & Kashmir) Second Amendment Order, 1974.
- (d) None of the associate members shall have a right to vote or to sign any decision of the Delimitation Commission.
- (e) If owing to death or resignation, the office of an associate member falls vacant, it shall be filled as soon as may be practicable by the Speaker of the House of the People and in accordance with the provisions of sub-clauses (a) and (b).

Division of territorial constituencies [Art. 81(2)(b)].—The Election Commission is empowered to make changes only in the description of a constituency under the updating of Delimitation of Parliamentary and Assembly Constituencies Order, 1976 but not in the boundaries or area or extent of any constituency shown in the Order.¹⁴

Readjustment after each census. ¹⁵Art. 82. Upon the completion of each census, the allocation of seats in the House of the People to the States and the division of each State into territorial constituencies shall be readjusted by such authority and in such manner as Parliament may by law determine;

13. By the Constitution (Application to Jammu & Kashmir) Order, 1954.

14. *Election Commission of India v. Mohd. Abdul Ghani*, (1995) 6 SCC 721 (paras 8, 9 and 10). The judgment of High Court to the contrary was set aside.

15. Substituted by the Constitution (7th Amendment) Act, 1956.

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Provided that such readjustment shall not affect representation in the House of the People until the dissolution of the then existing House:

¹⁶*[Provided further that such readjustment shall take effect from such date as the President may, by order, specify and until such readjustment takes effect, any election to the House may be held on the basis of the territorial constituencies existing before such readjustment:*

Provided also that until the relevant figures for the first census taken after the year 2000 have been published, it shall not be necessary to readjust the allocation of seats in the House of the People to the States and the division of each State into territorial constituencies under this article].

Amendment.—Articles 82 and 170(3) have been amended by the Constitution (42nd Amendment) Act, 1976, to ensure that the elections to the Lok Sabha and the State Assemblies need not await delimitation of constituencies after each census: It has been provided that the readjustment of boundaries and reallocation of seats (delimitation) after each census shall take effect only from such date as the President may, by order, fix.

The second Proviso has been inserted with the following object—

"In the context of the intensification of the family planning programmes of the government, it is considered that not only the allocation of seats in the House of the People to the States and the total number of seats in legislative assemblies of the States but also the extent of parliamentary and assembly constituencies and the reservation of seats for Scheduled Castes and Scheduled Tribes as determined on the basis of the 1971 census, should be frozen till the year 2001. It is accordingly proposed to amend the relevant Articles, namely articles 81 and 82 relating to the Lok Sabha, article 170 relating to the legislative assemblies of States, article 55 relating to the manner of election of the President and articles 330 and 332 relating to reservation of seats for Scheduled Castes and Scheduled Tribes in the Lok Sabha and the Legislative Assemblies of States."¹⁷

Arts. 82 and 327.—1. While Art. 82 merely provides that upon the completion of each census the division of territorial constituencies in each State shall be readjusted, it is Art. 327 which enjoins Parliament to make provision for readjustment, by passing a law of delimitation of constituencies.⁸

2. Hence, a law of delimitation being passed under Art. 327, cannot be called into question in any Court in view of Art. 329(a). It can not be contended that it is not entitled to the protection under Art. 329(a) because it was passed under Art. 82.¹⁹

Application to Jammu & Kashmir.—The 2nd and 3rd Provisos are to be omitted.

Art. 83. (1) The Council of States shall not be subject to dissolution,²⁰ but as nearly as possible one-third of the members thereof shall retire as soon as may be on the expiration of every second year in accordance with the provisions made in that behalf by Parliament by law.

(2) The House of the People, unless sooner dissolved, shall continue for five²¹ years from the date appointed for its first meeting and no longer and the expiration of the said period of five²² years shall operate as a dissolution of the House:

16. The 2nd and 3rd Provisos were inserted by the Constitution (42nd Amendment) Act, 1976. These are not applicable to Jammu & Kashmir.

17. Notes on Clauses of the 42nd Amendment Bill, 1976.

18. *Meghraj Kohari v. Delimitation Commn.*, AIR 1967 SC 669 (para 5); 1967 (1) SCR 400.

19. *Meghraj Kohari v. Delimitation Commn.*, AIR 1967 SC 669 (para 6); 1967 (1) SCR 400.

20. Also see *Purushothaman Nambudiri v. State of Kerala*, AIR 1962 SC 694 (700); 1962 Supp. (1) SCR 753.

21. The word 'five', which had been substituted by the word 'six', has been restored, by the Constitution (42nd Amendment) Act, 1976.

22. The word 'five', which had been substituted by the word 'six', has been restored, by the Constitution (44th Amendment) Act, 1978.

Provided that the said period may, while a Proclamation of Emergency is in operation, be extended by Parliament by law for a period not exceeding one year at a time and not extending in any case beyond a period of six months after the Proclamation has ceased to operate.²³

Qualification for membership of Parliament. Art. 84. A person shall not be qualified to be chosen to fill a seat in Parliament unless he—

(a) is a citizen of India, and *makes and subscribes before some person authorized in that behalf by the Election Commission an oath affirmation according to the form set out for the purpose in the Third Schedule;*²⁴

(b) is, in the case of a seat in the Council of States, not less than thirty years of age and, in the case of a seat in the House of the People, not less than twenty-five years of age; and

(c) possesses such other qualifications as may be prescribed in that behalf by or under any law made by Parliament.

Cl. (a) : Oath.—1. This clause prescribes the oath to be taken by a candidate for membership of Parliament. A *candidate* for the office of the President or Vice President need not take any such oath under the Third Sch.,²⁵ the *only* qualifications for *election* as President being laid down in Art. 58(1), *ante*. Of course, after being elected as President, he is to take the oath as prescribed by Art. 60, before entering upon his office.

2. There is no non-compliance with Art. 84(a) so long as the oath is taken according to the Form prescribed in the Third Schedule.²⁶

Sessions of Parliament, prorogation and dissolution. ²⁷Art. 85. (1) *The President shall from time to time summon each House of Parliament to meet at such time and place as he thinks fit, but six months shall not intervene between its last sitting in one session and the date appointed for its first sitting in the next session.*

(2) *The President may from time to time—*

(a) *prorogue the Houses or either House;*

(b) *dissolve the House of the People.*

Cl. (1): 'The President shall'.—As is now made clear by Art. 74(1), as amended in 1976, the power of summoning, prorogation and dissolution, under the present Article, has to be exercised by the President according to the advice of the Council of Ministers. If done, without such advice, the order of the President shall be unconstitutional.²⁸

23. The House of the People got such extension during the continuance of the Emergency proclaimed on 25-6-1975, by an Act passed on 4-2-1976.

24. The italicised words were added by the Constitution (16th Amendment) Act, 1963, w.e.f. 6-10-1963.

25. *Choran Lal Sahu v. Zail Singh Giani*, AIR 1984 SC 309 (para 43); (1984) 1 SCC 330.

26. *Ali Singhani Bhagwandas Madhav Singh v. Rajiv Gandhi*, AIR 1991 All. 145 (para 33).

27. Substituted by the Constitution (1st Amendment) Act, 1951, s. 6, for the original article.

28. *Rao, U.N.R. v. Indra Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7-8) (1971) 2 SCC 63.

Cl. (1): Summoning of Parliament.—1. The summoning of Parliament for a session within 6 months from the date of last sitting of each House is mandatory.²⁹ This cannot be affected by the fact that the attendance of some members of either House or both Houses is not available owing to conviction or detention under the law of preventive detention or operations of Emergency law.³⁰

2. At any rate, if any law or Constitution Amendment Act is passed during such a session from which some members have been prevented from attending owing to conviction or detention under statutory power, such law can not be challenged as invalid, for the following reasons, *inter alia*,—

- (i) Art. 85 does not deal with composition of Parliament, which is provided in Art. 81. The composition of Parliament is not affected by the absence of particular members. Hence, the non-attendance of some members cannot render any session of a duly constituted Parliament invalid.³¹
- (ii) When a preventive detention can not be challenged by reason of a Presidential Order under Art. 359, it can not be collaterally challenged on the ground of deprivation of the participation of such members under detention, in Parliamentary proceedings.³²
- (iii) The privilege of members of Parliament from arrest or detention is a matter to be enforced by proceedings within the walls of Parliament, and not by a proceeding before a Court of law.³³
- (iv) Courts are barred by Art. 122 from questioning the validity of proceedings in Parliament by reason of non-attendance of some members.³⁴
- (v) Certificate of the Speaker would be accepted by a Court as conclusive proof that the Bill has been duly passed.³⁵

Cl. (2)(b): Dissolution of the House of the People.—The House of the People may be dissolved either by expiry of its term of five years under Art. 83(2), or by an order of dissolution made by the President at any time earlier, under Art. 85(2)(b). By reason of the provision in Arts. 75(5) and 74(1), the Council of Ministers need not resign or be dismissed immediately upon the dissolution. The President must have a Council of Ministers to aid and advise him so long as such Council is available under the provisions of the Constitution.³⁶

Right of President to address and send messages to Houses.

Art. 86. (1) The President may address³⁷ either House of Parliament or both Houses assembled together, and for that purpose require the attendance of members.

(2) The President may send messages to either House of Parliament, whether with respect to a Bill then pending in Parliament or otherwise, and a House to which any message is so sent shall with all convenient despatch consider any matter required by the message to be taken into consideration.

29. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

30. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

31. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

32. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

33. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

34. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

35. *Indira Nehru Gandhi (Smt.) v. Rajnarain*, AIR 1975 SC 2299 (paras 74, 75, 76, 82, 86-87, 180, 181, 378, 509, 696) : 1975 Supp. SCC 1 (unanimous).

36. *Ras. U.N.R. v. Indira Gandhi (Smt.)*, AIR 1971 SC 1002 (paras 7-8) (1971) 2 SCC 63.

37. Also see *Anandan Nambiar, K. v. Chief Secy. to the Govt. of Madras*, AIR 1966 SC 657 : 1966 (2) SCR 406.

Special address by the President. Art. 87. (1) At the commencement of ³⁸[the first session after each general election to the House of the People and at the commencement of the first session of each year], the President shall address both Houses of Parliament assembled together and inform Parliament of the causes of its summons.

(2) Provision shall be made by the rules regulating the procedure of either House for the allotment of time for discussion of the matters referred to in such address³⁹ * * *

Rights of Ministers and Attorney-General as respects Houses. Art. 88. Every Minister and the Attorney-General of India shall have the right to speak in, and otherwise to take part in the proceedings of, either House, any joint sitting of the Houses, and any committee of Parliament of which he may be named a member, but shall not by virtue of this article be entitled to vote.

Officers of Parliament

The Chairman and Deputy Chairman of the Council of States. Art. 89. (1) The Vice-President of India shall be *ex-officio* Chairman of the Council of States.

(2) The Council of States shall, as soon as may be, choose a member of the Council to be Deputy Chairman thereof and, so often as the office of Deputy Chairman becomes vacant, the Council shall choose another member to be Deputy Chairman thereof.

Vacation and resignation of, and removal from, the office of Deputy Chairman. Art. 90. A member holding office as Deputy Chairman of the Council of States—

(a) shall vacate his office if he ceases to be a member of the Council;

(b) may at any time by writing under his hand addressed to the Chairman, resign his office; and

(c) may be removed from his office by a resolution of the Council passed by a majority of all the then members of the Council:

Provided that no resolution for the purpose of clause (c) shall be moved unless at least fourteen days' notice has been given of the intention to move the resolution.

Power of the Deputy Chairman or other person to perform the duties of the office of, or to act as, Chairman. Art. 91. (1) While the office of Chairman is vacant, or during any period when the Vice-President is acting as, or discharging the functions of, President, the duties of the office shall be performed by the Deputy Chairman, or, if the office of Deputy Chairman is also vacant, by such member of the Council of States as the President may appoint for the purpose.

38. Substituted by the Constitution (1st Amendment) Act, 1951, for the words 'every session'.

39. The words "and for precedence of such discussion over other business of the House" were omitted by the Constitution (1st Amendment) Act, 1951, s. 8.

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(2) During the absence of the Chairman from any sitting of the Council of States the Deputy Chairman, or, if he is also absent, such person as may be determined by the rules of procedure of the Council, or, if no such person is present, such other person as may be determined by the Council, shall act as Chairman.

The Chairman or the Deputy Chairman not to preside while a resolution for his removal from office is under consideration.

Art. 92. (1) At any sitting of the Council of States, while any resolution for the removal of the Vice-President from his office is under consideration, the Chairman, or while any resolution for the removal of the Deputy Chairman from his office is under consideration, the Deputy Chairman, shall not, though he is present, preside, and the provisions of clause (2) of article 91 shall apply in relation to every such sitting as they apply in relation to a sitting from which the Chairman, or, as the case may be, the Deputy Chairman, is absent.

(2) The Chairman shall have the right to speak in, and otherwise to take part in the proceedings of, the Council of States while any resolution for the removal of the Vice-President from his office is under consideration in the Council, but, notwithstanding anything in article 100, shall not be entitled to vote at all on such resolution or on any other matter during such proceedings.

The Speaker and Deputy Speaker of the House of the People.

Art. 93. The House of the People shall, as soon as may be, choose two members of the House to be respectively Speaker and Deputy Speaker thereof and, so often as the office of Speaker or Deputy Speaker becomes vacant, the House shall choose another member to be Speaker or Deputy Speaker, as the case may be.

Vacation and resignation of, and removal from, the offices of Speaker and Deputy Speaker.

Art. 94. A member holding office as Speaker or Deputy Speaker of the House of the People—

- (a) shall vacate his office if he ceases to be a member of the House of the People;
- (b) may at any time, by writing under his hand addressed, if such member is the Speaker, to the Deputy Speaker, and if such member is the Deputy Speaker, to the Speaker, resign his office; and
- (c) may be removed from his office by a resolution of the House of the People passed by a majority of all the members of the House:

Provided that no resolution for the purpose of clause (c) shall be moved unless at least fourteen days' notice has been given of the intention to move the resolution:

Provided further that, whenever the House of the People is dissolved, the Speaker shall not vacate his office until immediately before the first meeting of the House of the People after the dissolution.

Power of the Deputy Speaker or other person to perform the duties of the office of, or to act as, Speaker.

Art. 95. (1) While the office of Speaker is vacant, the duties of the office shall be performed by the Deputy Speaker or, if the office of Deputy Speaker is also vacant, by such member of the House of the People as the President may appoint for the purpose.

(2) During the absence of the Speaker from any sitting of the House of the People the Deputy Speaker or, if he is also absent, such person as may be determined by the rules of procedure of the House, or, if no such person is present, such other person as may be determined by the House, shall act as Speaker.

The Speaker or the Deputy Speaker not to preside while a resolution for his removal from office is under consideration.
Art. 96. (1) At any sitting of the House of the People, while any resolution for the removal of the Speaker from his office is under consideration, the Speaker, or while any resolution for the removal of the Deputy Speaker from his office is under consideration, the Deputy Speaker, shall not, though he is present, preside, and the provisions of clause (2) of article 95 shall apply in relation to every such sitting as they apply in relation to a sitting from which the Speaker, or, as the case may be, the Deputy Speaker, is absent.

(2) The Speaker shall have the right to speak in, and otherwise to take part in the proceedings of, the House of the People while any resolution for his removal from office is under consideration in the House and shall, notwithstanding anything in article 100, be entitled to vote only in the first instance on such resolution or on any other matter during such proceedings but not in the case of an equality of votes.

Salaries and allowances of the Chairman and Deputy Chairman and the Speaker and Deputy Speaker.
Art. 97. There shall be paid to the Chairman and the Deputy Chairman of the Council of States, and to the Speaker and the Deputy Speaker of the House of the People, such salaries and allowances as may be respectively fixed by Parliament by law and, until provision in that behalf is so made, such salaries and allowances as are specified in the Second Schedule.

Secretariat of Parliament.
Art. 98. (1) Each House of Parliament shall have a separate secretariat staff:

Provided that nothing in this clause shall be construed as preventing the creation of posts common to both Houses of Parliament.

(2) Parliament may by law regulate the recruitment, and the conditions of service of persons appointed, to the secretarial staff of either House of Parliament.

(3) Until provision is made by Parliament under clause (2), the President may, after consultation with the Speaker of the House of the People or the Chairman of the Council of States, as the case may be, make rules regulating the recruitment, and the conditions of service of persons appointed, to the secretarial staff of the House of the People or the Council of States, and any rules so made shall have effect subject to the provisions of any law made under the said clause.

Lok Sabha Secretariat—Promotion Policy.—Fixing quotas for promotion of in-service officers (75%) and for taking officers on deputation (25%) has been held valid by the Supreme Court. If in-service officers are not eligible, instead of keeping the post vacant, officers may be taken on deputation, who will give place when in-service officers as found fit for promotions.⁴⁰

40. *P.K. Sandhu v. Shiv Raj v. Patil*, (1997) 4 SCC 348 (para 7) : AIR 1997 SC 2357.

The Speaker can appoint the Secretary General in Lok Sabha on contract basis who may be an in-service officer or an outsider or even a retired person.⁴¹

Conduct of Business

Oath or affirmation by members. **Art. 99.** Every member of either House of Parliament shall, before taking his seat, make and subscribe before the President, or some person appointed in that behalf by him, an oath or affirmation according to the form set out for the purpose in the Third Schedule.

Voting in Houses, power of Houses to act notwithstanding vacancies and quorum. **Art. 100.** (1) Save as otherwise provided in this Constitution, all questions at any sitting of either House or joint sitting of the Houses shall be determined by a majority of votes of the members present and voting, other than the Speaker or person acting as Chairman or Speaker.

The Chairman or Speaker, or person acting as such, shall not vote in the first instance, but shall have and exercise a casting vote in the case of an equality of votes.

(2) Either House of Parliament shall have power to act notwithstanding any vacancy in the membership thereof, and any proceedings in Parliament shall be valid notwithstanding that it is discovered subsequently that some person who was not entitled so to do sat or voted or otherwise took part in the proceedings.

⁴²(3) Until Parliament by law otherwise provides, the quorum to constitute a meeting of either House of Parliament shall be one-tenth of the total number of members of the House.

⁴³(4) If at any time during a meeting of a House there is no quorum, it shall be the duty of the Chairman or Speaker, or person acting as such, either to adjourn the House or to suspend the meeting until there is a quorum.

Disqualifications of Members

Vacation of seats. **Art. 101.** (1) No person shall be a member of both Houses of Parliament and provision shall be made by Parliament by law for the vacation by a person who is chosen a member of both Houses of his seat in one House or the other.

(2) No person shall be a member both of Parliament and of a House of the Legislature of a State. . . .⁴⁴ and if a person is chosen a member of both of Parliament and of a House of the Legislature of a State. . . .⁴⁵ then, at the expiration of such period as may be specified in rules made by the President, that person's seat

41. *P.K. Sandhu v. Shiv Raj v. Patil*, (1997) 4 SCC 348 (para 9) : AIR 1997 SC 2357.

42. Omitted by the Constitution (42nd Amendment) Act, 1976, but restored by the 44th Amendment Act, 1978.

43. Omitted by the Constitution (42nd Amendment) Act, 1976, but restored by the 44th Amendment Act, 1978.

44. The words "specified in Part A. . . . First Schedule" have been omitted by the Constitution (7th Amendment) Act, 1956.

45. The words "specified in Part A. . . . First Schedule" have been omitted by the Constitution (7th Amendment) Act, 1956.

in Parliament shall become vacant, unless he has previously resigned his seat in the Legislature of the State.

(3) If a member of either House of Parliament—

(a) becomes subject to any of the disqualifications mentioned in clause (7) or clause (2)⁴⁶ of article 102,⁴⁷ or

⁴⁸(b) resigns his seat by writing under his hand addressed to the Chairman or the Speaker, as the case may be, and his resignation is accepted by the Chairman or the Speaker, as the case may be,

his seat shall thereupon become vacant:

⁴⁹Provided that in the case of any resignation referred to in sub-clause (b), if from information received or otherwise and after making such inquiry as he thinks fit, the Chairman or the Speaker, as the case may be, is satisfied that such resignation is not voluntary or genuine, he shall not accept such resignation.

(4) If for a period of sixty days a member of either House of Parliament is without permission of the House absent from all meetings thereof, the House may declare his seat vacant:

Provided that in computing the said period of sixty days no account shall be taken of any period during which the House is prorogued or is adjourned for more than four consecutive days.

Amendment.—Sub-Clause (b) of Cl. (3) has been amended, and the Proviso has been added, by the Constitution (33rd Amendment) Act, 1974, with the following object⁵⁰—

“Articles 101(3)(b) and 190(3)(b) of the Constitution permit a member of either House of Parliament or a member of a House of the Legislature of a State to resign his seat by writing under his hand addressed to the Speaker or the Chairman, as the case may be. In the recent past, there have been instances where coercive measures have been resorted to for compelling members of a Legislative Assembly to resign their membership. If this is not checked, it might become difficult for Legislatures to function in accordance with the provisions of the Constitution. It is, therefore, proposed to amend the above two Articles to impose a requirement as to acceptance of the resignation by the Speaker or the Chairman and to provide that the resignation shall not be accepted by the Speaker or the Chairman if he is satisfied after making such inquiry as he thinks that the resignation is not voluntary or genuine.”⁵¹

Vacation of seat.—See further, under Art. 190, *post*.

Cl. (3)(b): Resignation of membership.—1. The Constitution (33rd Amendment) Act, 1974, has amended Cl. (3)(b) of both Arts. 101 and 190, with the addition of a Proviso thereto. Prior to this amendment, the provision for resignation of membership by a Member of the Union or a State Legislature was similar to that regarding the resignation of constitutional functionaries, such as the President, the Vice-President, the Speaker, the Deputy Speaker and Judges of the Supreme Court or a High Court, in Arts. 56(a), 67(a), 94, 124(2)(a), 217(1), Proviso (a). As a result, the resignation by a member of the Legislature become effective from the date when he addressed his

46. Inserted by the Constitution (52nd Amendment) Act, 1985.

47. Inserted by the Constitution (52nd Amendment) Act, 1985.

48. In Cl. (3), sub-Cl. (b) was substituted, and the Proviso added, by the Constitution (33rd Amendment) Act, 1974, w.e.f. 19-5-1974.

49. In Cl. (3), sub-Cl. (b) was substituted, and the Proviso added, by the Constitution (33rd Amendment) Act, 1974, w.e.f. 19-5-1974.

50. Statement of Objects and Reasons. [This amendment, thus, confirms the view taken in *Thankamma v. Speaker, T.C. Legislative Assembly*, AIR 1952 T.C. 166; *Surat Singh Yadav v. Sudama Prasad Goswami*, AIR 1965 All. 536 (540).]

51. Statement of Objects and Reasons. [This amendment, thus, confirms the view taken in *Thankamma v. Speaker, T.C. Legislative Assembly*, AIR 1952 T.C. 166; *Surat Singh Yadav v. Sudama Prasad Goswami*, AIR 1965 All. 536 (540).]

letter of resignation to the Speaker or Chairman of the House (as the case may be), so that the latter could not inquire even where it was alleged that such letter had been obtained by force or fraud.

2. By the amendment—(i) power has been given to the Speaker or Chairman to inquire into the genuineness of a letter of resignation coming from a Member, and (ii) the termination of membership by resignation has been made dependent upon the *acceptance* of such resignation by the Speaker or Chairman. A member of the Union or a State Legislature has thus lost the privilege which constitutional functionaries enjoy, namely, the termination of his office by unilateral action, and the resignation has been made dependent upon acceptance as in the case of ordinary government servants.⁵² It also follows that so long as the resignation is not accepted, it may be withdrawn or revoked by the member by addressing a letter by his hand to that effect, to the Speaker or Chairman.⁵³

Disqualifications for membership.

Art. 102. (1) A person shall be disqualified for being chosen as, and for being, a member of either House of Parliament—

- ⁵⁴(a) if he holds any . . . office of profit under the Government of India or the Government of any State, *other than an office* declared by Parliament by law *not* to disqualify its holder;
- (b) if he is of unsound mind and stands so declared by a competent court;
- (c) if he is an undischarged insolvent;
- (d) if he is not a citizen of India, or has voluntarily acquired the citizenship of a foreign State, or is under any acknowledgement of allegiance or adherence to a foreign State;
- (e) if he is so disqualified by or under any law made by Parliament.

⁵⁵[*Explanation.*—For the purposes of this clause] a person shall not be deemed to hold an office of profit under the Government of India or the Government of any State by reason only that he is a Minister either for the Union or for such State.

⁵⁶[(2) *A person shall be disqualified for being a member of either House of Parliament if he is so disqualified under the Tenth Schedule.*]

Amendments.—1. The amendment of Cl. (1)(a),⁵⁷ by the (42nd Amendment) Act, 1976, would have had serious and far-reaching effects. Under the original text of sub-Cl. (a), the general rule was that any person holding an 'office' of profit or service under the Government was not eligible as a candidate for membership of the Legislature, unless Parliament (in the case of membership of Parliament) or the relevant State Legislature (in the case of membership of a State Legislature) passed a law *exempting* the particular office from the disqualification. The general rule was founded on the imperaave need for *neutrality* and *impartiality* in the public service. A positive legislation was therefore needed to *remove* the disqualification in any particular case, on special grounds, besides the exceptions already mentioned in Cl. (2). The 1976-amendment sought to

52. *Union of India v. Gopal Chandra Misra*, AIR 1978 SC 694 (paras 84-85) : (1978) 2 SCC 301.

53. *Union of India v. Gopal Chandra Misra*, AIR 1978 SC 694 (paras 84-85) : (1978) 2 SCC 301.

54. Clause (1)(a) was substituted by the Constitution (42nd Amendment) Act, 1976; but that amendment has been nullified, and the original text restored by the Constitution (44th Amendment) Act, 1978.

55. Changes made by the Constitution (52nd Amendment) Act, 1985.

56. Changes made by the Constitution (52nd Amendment) Act, 1985.

57. Clause (1)(a) was substituted by the Constitution (42nd Amendment) Act, 1976; but that amendment has been nullified, and the original text restored by the Constitution (44th Amendment) Act, 1978.

overturn this position by giving a blanket immunity, subject to exceptions, if any creating disqualification, by legislation.

2. The changes made by the 1976-amendment have, however, been omitted, and the original text of Art. 102(1)(a) has been restored, by the Constitution (44th Amendment) Act, 1978.⁵⁸

3. By the 52nd Amendment Act, 1985—

(a) Original Cl. (2) has been made an *Explanation* to Cl. (1).

(b) Substituted Cl. (2) has been introduced to give effect to the provisions in the Tenth Schedule (*post*), which has been added in order to combat the evil of defection. Para 2 of this Schedule, read with Para 6 lays down the contingencies upon the happening of any of which a member of either House of Parliament shall be 'disqualified' for being a member of Parliament.

To make the provisions in Art. 102 comprehensive, Cl. (2) has been substituted, to bring in the additional ground of disqualification introduced by the 10th Schedule.

Scope and object of Art. 102.—This article lays down the same set of disqualifications for election as well as continuing as a member.⁵⁹ In other words, it provides for both pre-existing and supervening disqualification.⁶⁰

The object of enacting Arts. 102(1)(a) and 191(1)(a) is that there should be no conflict between the duties and interests of an elected member, and that such an elected member can carry on freely and fearlessly his duties without being subjected to any kind of governmental pressure. These Articles are intended to eliminate the possibility of conflict between duty and interest so that the purity of the Legislature is unaffected.⁶¹

Cl. (1): The material date for determining disqualification.—1. Since the nomination can not be accepted unless he is qualified under the Constitution and the law on the date of scrutiny of the nomination, if the candidate lacks the prescribed qualifications, say, the age of 25 years under Art. 84 or 173, on the date of such scrutiny, his nomination becomes invalid even though he may attain the age of 25 years on the date of the election.⁶²

2. An exception must be acknowledged in the case of a conviction of the candidate being set aside on appeal, for, the law is that when a conviction is set aside on appeal, it wipes off the conviction *retrospectively*, as if it had never been passed.⁶³ Hence, even though the candidate's nomination had been rejected on the ground that on the date of scrutiny of the nomination, he was disqualified on account of a conviction (as specified), the order of rejection of nomination would be set aside in an election petition if at any time during the pendency of the election petition, the order of conviction is set aside on appeal.⁶⁴ The result would be similar where the candidate had been elected, after an improper rejection of the opponent's objection to the candidate's nomination on the ground of conviction, but the disqualification is removed by the setting aside of the conviction on appeal during the pendency of the election petition brought by the opponent to have the election to be declared void.⁶⁵

'For being . . .'—This means that if, even after his election, a member incurs any of the disqualifications specified in Art. 102(1), he ceases to be a member of Parliament.⁶⁶ But Art. 104 does not say that if an elected member sits or votes before taking oath as prescribed by Art. 99, he

58. Clause (1)(a) was substituted by the Constitution (42nd Amendment) Act, 1976; but that amendment has been nullified, and the original text restored by the Constitution (44th Amendment) Act, 1978.

59. *Election Commn. v. Venkata Rao, Saka*, (1953) SCR 1144 : AIR 1953 SC 210.

60. *Election Commn. v. Venkata Rao, Saka*, (1953) SCR 1144 : AIR 1953 SC 210.

61. *S.C. Raju v. V.P. Kumar Des*, AIR 1992 SC 1959 : (1992) Supp. 1 SCC 468.

62. *Amchhal Anihalal Patel v. Himmatbhai Gomanbhai Patel*, AIR 1968 SC 1455 : 1969 (1) SCR 277.

63. *Ditip Kumar Sharma v. State of M.P.*, AIR 1976 SC 133 : (1976) 1 SCC 560.

64. *Mannu Lal v. Pannai Lal*, AIR 1971 SC 330 : (1971) 2 SCC 462.

65. *Vidya Chavan Shukla v. Purshottam Lal Kashiak*, AIR 1981 SC 547 : (1981) 2 SCC 84.

66. *Pashupati Nath Sukul v. Nam Chandra Jain*, (1984) 2 SCC 404 (paras 18, 42) : AIR 1984 SC 399.

shall automatically cease to be a member of the House, even though it is possible that his seat may be declared vacant under Art. 101(4), if he remains absent from all meetings of the House, without its permission, for a period of six months.⁶⁷

Sub-cl. (a): 'Office of profit'.—1. The words 'under any local or other authority' which occur at the end of Arts. 58(2) and 66(4) are absent in Art. 102(1)(a). In the result, though the holding of an office of profit under an authority subject to the control of the Government is disqualification for the office of the President or the Vice President, it is not a disqualification for membership of the Legislature.⁶⁸

2. An 'office' is an office which exists independently of the holder of the office.⁶⁹

3. Office under a statutory body is not an office 'under' the Government,⁷⁰ e.g., an employee of a municipality.⁷¹

4. A member of Parliament does not hold office under the Government.⁷²

5. A Government servant whose resignation is effective before scrutiny of nomination is no longer an officer.⁷³

On the other hand—

(a) The Comptroller and Auditor General, though he is assigned an independent status by the Constitution, is an 'officer' of the Union Government.⁷⁴

(b) Judges of the Supreme Court and the High Courts are not Government servants in so far as they hold a constitutional office.⁷⁵ Nevertheless, they hold their office 'in connection with the affairs of the Union' [vide Art. 300(4)(b)] and are, therefore, holding office under the Union Government, even though not under the control of that Government.

Disqualified by or under any law made by Parliament [Cl. (e)].—This sub-clause only refers to disqualification referred to by a law of Parliament and not a Code of Conduct for ministers which have no statutory sanction.⁷⁶

[See, also under Art. 191, *post*].

Decision on questions as to disqualifications of members. ⁷⁷Art. 103. (1) If any question arises as to whether a member of either House of Parliament has become subject to any of the disqualifications mentioned in clause (1) of article 102, the question shall be referred for the decision of the President and his decision shall be final.

(2) Before giving any decision on any such question, the President shall obtain the opinion of the Election Commission and shall act according to such opinion.

Art. 103: Decision as to disqualification of members.—Art. 103 does not confer power on the President of India as an authority competent to remove an M.P. from his office. It only confers power on him to adjudicate whether an M.P. has incurred any disqualification.⁷⁸

67. *Pashupati Nath Sukul v. Nem Chandra Jain*, (1984) 2 SCC 404 (paras 18, 42) : AIR 1984 SC 399.

68. *Abdul Shakoor v. Election Tribunal*, AIR 1958 SC 52 (55) : 1958 SCR 387.

69. *Kanta Nathuria v. Manoh Chand Sereana*, AIR 1970 SC 694 (1963) 3 SCC 268.

70. *Abdul Shakoor v. Election Tribunal*, AIR 1958 SC 52 (55) : 1958 SCR 387.

71. *Ashok Kumar Bhattacharyya v. Ajoy Biswas*, AIR 1985 SC 211 (paras 21, 22) : (1985) 1 SCC 151.

72. *Bhagwati Dixit Ghoswala v. Rajeev Gandhi*, AIR 1985 SC 1534 (para 14) : (1986) 4 SCC 78.

73. *Sitaran Jiyabhai Gavali v. Ranjibhai Pottiyabhai Mahale*, AIR 1987 SC 1203 (para 14) : (1987) 2 SCC 262.

74. *Pashupati Nath Sukul v. Nem Chandra Jain*, (1984) 3 SCC 404 (paras 18, 42) : AIR 1984 SC 399.

75. *Union of India v. Santalchand Himatlal Sheth*, AIR 1977 SC 2323 (para 32) : (1977) 4 SCC 193.

76. *Vidadala Harinadhababu v. N.T. Ram Rao*, AIR 1990 A.P. 20 (paras 17, 21) F.B. : (1989) 3 Andh LT 66.

77. Article 103, which had been substituted by the Constitution (42nd Amendment) Act, 1976, has been restored, in its original form, by the 44th Amendment Act, 1978.

78. *P.V. Narasimha Rao v. State*, (1998) 4 SCC 625 (para 93) : AIR 1998 SC 2120.

See under Art. 192, *post*.

Penalty for sitting and voting before making oath or affirmation under article 99 or when not qualified or when disqualified.

Art. 104. If a person sits or votes as a member of either House of Parliament before he has complied with the requirements of article 99, or when he knows that he is not qualified or that he is disqualified for membership thereof, or that he is prohibited from so doing by the provisions of any law made by Parliament, he shall be liable in respect of each day on which he so sits or votes to a penalty of five hundred rupees to be recovered as a debt due to the Union.

'Sitting or voting as a member'.—These words imply that the penalty under this Article will be incurred only if the House has been summoned by the President under Art. 85(1) and the member sits or votes at a meeting of the House which has been so summoned or at an adjourned meeting thereof.⁷⁹ During the period intervening the constitution of a House after a general election and the summoning of that House, during that interval, an elected member of the House is entitled to all the privileges of the House.⁸⁰

'Not qualified or disqualified'.—These words cover both pre-election and supervening disqualifications.⁸¹

Powers, Privileges and Immunities of Parliament and its Members

Powers, privileges, etc., of the Houses of Parliament and of the members and committees thereof.

Art. 105. (1) Subject to the provisions of this Constitution and to the rules and standing orders regulating the procedure of Parliament, there shall be freedom of speech in Parliament.

(2) No member of Parliament shall be liable to any proceedings in any court in respect of anything said or any vote given by him in Parliament or any committee thereof, and no person shall be so liable in respect of the publication by or under the authority of either House of Parliament of any report, paper, votes or proceedings.

⁸²(3) In other respects, the powers, privileges and immunities of each House of Parliament, and of the members and the committees of each House, shall be such as may from time to time be defined by Parliament by law, and, until so defined, shall be those of that House and of its members and committees immediately before the coming into force of section 15 of the Constitution (Forty-fourth Amendment) Act, 1978.

(4) The provisions of clauses (1), (2) and (3) shall apply in relation to persons who by virtue of this Constitution have the right to speak in, and otherwise to take part in the proceedings of, a House of Parliament or any committee thereof as they apply in relation to members of Parliament.

Freedom of Speech [Cl. (1)].—The freedom of speech in the Parliament under this clause is absolute and is independent of Art. 19.⁸³

79. *Pashupati Nath Sukul v. Nem Chandra Jain*, (1984) 2 SCC 400 (paras 18, 42) : AIR 1984 SC 399.

88. *Pashupati Nath Sukul v. Nem Chandra Jain*, (1984) 2 SCC 404 (paras 18, 42) : AIR 1984 SC 399.

81. *Vidya Charan Shukla v. Purshottam Lal Kaushik*, AIR 1981 SC 547 : (1981) 2 SCC 84.

82. Clause (3) was first substituted by the Constitution (42nd Amendment) Act, 1976, and, again substituted by the 44th Amendment Act, 1978, *v.e.l.* 20-6-1979.

83. *P. V. Narasimha Rao v. State*, (1998) 4 SCC 626 (paras 100 and 101) : AIR 1998 SC 2120.

Immunity from liability to "any proceedings in any court in respect of anything said or any vote given by him in Parliament" [Cl. (2)].—Where there was a charge of criminal conspiracy against the M.P.s of entering into an agreement to exercise their right to speak or vote in a particular manner in the House (in this case not to vote against the no confidence motion against the Govt. by receiving illegal gratification offered by certain other M.P.s.), it was held that the alleged bribe-takers who had cast their votes were entitled to immunity, as the alleged conspiracy and acceptance of bribe was "in respect of" or had nexus with the vote against no confidence motion; the M.P. who, despite having received the bribe pursuant to the conspiracy, had abstained from voting, was not entitled to immunity and was liable to be prosecuted, since the protection under Art. 105(2) must relate to the vote actually given or speech actually made in the Parliament by an M.P.; and the bribe-givers were liable to be prosecuted for the charge of criminal conspiracy with the M.P. who abstained from voting. However, both the bribe-givers and the bribe-takers could be proceeded against by the Parliament for the breach of privileges and contempt.⁸⁴

"In respect of".—The expression means relating to, concerning, in connection with or having a nexus with anything said or any vote given by an M.P. in Parliament.⁸⁵

"In other respects" [Cl. (3)].—Art 105(3) applies only "in other respects". Since in the present case of criminal liability incurred by the M.P.s for accepting bribe for speaking or giving vote in the Parliament in a particular manner Art. 105(2) applies, the provisions of Art. 105(3) are, therefore, not attracted and they render no assistance to them.⁸⁶

Privileges of the Legislature.—See under Art. 194; also Art. 361A, *post*.

"Evolved".—This concept was introduced by s. 21 of the Constitution (42nd Amendment) Act, 1976. But that section could not be brought into force before the Janata party came into power. The 44th Amendment Act has wiped off that concept. For comments, see under Art. 194, *post*.

Art. 106. Members of either House of Parliament shall be entitled to receive such salaries and allowances as may from time to time be determined by Parliament by law and, until provision in that respect is so made, allowances at such rates and upon such conditions as were immediately before the commencement of this Constitution applicable in the case of members of the Constituent Assembly of the Dominion of India.

Legislative Procedure

Provisions as to introduction and passing of Bills. **Art. 107.** (1) Subject to the provisions of articles 109 and 117 with respect to Money Bills and other financial Bills, a Bill may originate in either House of Parliament.

(2) Subject to the provisions of articles 108 and 109, a Bill shall not be deemed to have been passed by the Houses of Parliament unless it has been agreed to by both Houses, either without amendment or with such amendments only as are agreed to by both Houses.

84. *P.V. Narasimha Rao v. State*, (1998) 4 SCC 626 (paras 109, 133-37 and 143) : AIR 1998 SC 2120, per majority.

85. *P.V. Narasimha Rao v. State*, (1998) 4 SCC 626 (para 133) : AIR 1998 SC 2120, per majority. Per minority, it means "arising out of" (para 136).

86. *P.V. Narasimha Rao v. State*, (1998) 4 SCC 626 (para 153) : AIR 1998 SC 2120, per majority. An M.P. enjoys no immunity under Art. 105(2) & (3) from being prosecuted before a criminal court for an offence involving offer or acceptance of bribe for the said purpose (per minority, dissenting) (para 98).

(3) A Bill pending in Parliament shall not lapse by reason of the prorogation of the Houses.

(4) A Bill pending in the Council of States which has not been passed by the House of the People shall not lapse on a dissolution of the House of the People.

(5) A Bill which is pending in the House of the People, or which having been passed by the House of the People is pending in the Council of States, shall, subject to the provisions of article 108, lapse on a dissolution of the House of the People.

Cl. (3): 'Pending'.—This expression includes a Bill pending for the assent of the President.⁸⁷ Such Bill does not lapse either on prorogation or on dissolution.⁸⁸ Once a Bill has been validly introduced, it remains pending even when it is referred to a Select Committee. There is therefore no question of its being introduced again after the Select Committee has submitted its report.⁸⁹

Art. 107: Passing of Bills.—See under Art. 196, *post*.

Joint sitting of both Houses in certain cases. Art. 108. (1) If after a Bill has been passed by one House and transmitted to the other House—

- (a) the Bill is rejected by the other House; or
- (b) the Houses have finally disagreed as to the amendments to be made in the Bill; or
- (c) more than six months elapse from the date of the reception of the Bill by the other House without the Bill being passed by it, the President may, unless the Bill has lapsed by reason of a dissolution of the House of the People, notify to the Houses by message if they are sitting or by public notification if they are not sitting, his intention to summon them to meet in a joint sitting for the purpose of deliberating and voting on the Bill:

Provided that nothing in this clause shall apply to a Money Bill.

(2) In reckoning any such period of six months as is referred to in clause (1), no account shall be taken of any period during which the House referred to in sub-clause (c) of that clause is prorogued or adjourned for more than four consecutive days.

(3) Where the President has under clause (1) notified his intention of summoning the Houses to meet in a joint sitting, neither House shall proceed further with the Bill, but the President may at any time after the date of his notification summon the Houses to meet in a joint sitting for the purpose specified in the notification and, if he does so, the Houses shall meet accordingly.

(4) If at the joint sitting of the two Houses, the Bill, with such amendments, if any, as are agreed to in joint sitting, is passed by a majority of the total number of members of both Houses present and voting, it shall be deemed for the purposes of this Constitution to have been passed by both Houses :

Provided that at a joint sitting—

87. *Purushothaman Nambudiri v. State of Kerala*, AIR 1962 SC 594 (700) : 1962 Supp. (1) SCR 753.

88. *Purushothaman Nambudiri v. State of Kerala*, AIR 1962 SC 694 (700) : 1962 Supp. (1) SCR 753.

88. *Koteswar Vittal Kamath v. K. Rangappa Baliga & Co.*, AIR 1969 SC 504 (570) : 1969 (3) SCR 40.

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- (a) if the Bill, having been passed by one House, has not been passed by the other House with amendments and returned to the House in which it originated, no amendment shall be proposed in the Bill other than such amendments (if any) as are made necessary by the delay in the passage of the Bill;
- (b) if the Bill has been so passed and returned, only such amendments as aforesaid shall be proposed to the Bill and such other amendments as are relevant to the matters with respect to which the Houses have not agreed;

and the decision of the person presiding as to the amendments which are admissible under this clause shall be final.

(5) A joint sitting may be held under this article and a Bill passed thereat, notwithstanding that a dissolution of the House of the People has intervened since the President notified his intention to summon the Houses to meet therein.

Special procedure in respect of Money Bills.

Art. 109. (1) A Money Bill shall not be introduced in the Council of States.

(2) After a Money Bill has been passed by the House of the People it shall be transmitted to the Council of States for its recommendations and the Council of States shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the House of the People with its recommendations and the House of the People may thereupon either accept or reject all or any of the recommendations of the Council of States.

(3) If the House of the People accepts any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed by both Houses with the amendments recommended by the Council of States and accepted by the House of the People.

(4) If the House of the People does not accept any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed by both Houses in the form in which it was passed by the House of the People without any of the amendments recommended by the Council of States.

(5) If a Money Bill passed by the House of the People and transmitted to the Council of States for its recommendations is not returned to the House of the People within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the House of the People.

Definition of "Money Bills".

Art. 110. (1) For the purposes of this Chapter, a Bill shall be deemed to be a Money Bill if it contains only provisions dealing with all or any of the following matters, namely—

- (a) the imposition, abolition, remission, alteration or regulation of any tax;
- (b) the regulation of the borrowing of money or the giving of any guarantee by the Government of India, or the amendment of the law with respect to any financial obligations undertaken or to be undertaken by the Government of India;
- (c) the custody of the Consolidated Fund or the Contingency Fund of India, the payment of moneys into or the withdrawal of moneys from any such Fund;

- (d) the appropriation of moneys out of the Consolidated Fund of India;
- (e) the declaring of any expenditure to be expenditure charged on the Consolidated Fund of India or the increasing of the amount of any such expenditure;
- (f) the receipt of money on account of the Consolidated Fund of India or the public account of India or the custody or issue of such money or the audit of the accounts of the Union or of a State; or
- (g) any matter incidental to any of the matters specified in sub-clauses (a) to (f).

(2) A Bill shall not be deemed to be a Money Bill by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration, or regulation of any tax by any local authority or body for local purposes.

(3) If any question arises whether a Bill is a Money Bill or not, the decision of the Speaker of the House of the People thereon shall be final.

(4) There shall be endorsed on every Money Bill when it is transmitted to the Council of States under article 109, and when it is presented to the President for assent under article 111, the certificate of the Speaker of the House of the People signed by him that it is a Money Bill.

Art. 110: Money Bills.—See under Art. 199, *post*. Clause (2) draws a distinction between the imposition of a tax by a Money Bill and the impost of fees by any other kind of Bill.⁹⁰

Assent to Bills. **Art. 111.** When a Bill has been passed by the Houses of Parliament, it shall be presented to the President, and the President shall declare either that he assents to the Bill, or that he withholds assent therefrom:

Provided that the President may, as soon as possible after the presentation to him of a Bill for assent, return the Bill if it is not a Money Bill to the Houses with a message requesting that they will reconsider the Bill or any specified provisions thereof and, in particular, will consider the desirability of introducing any such amendments as he may recommend in his message, and when a Bill is so returned, the Houses shall reconsider the Bill accordingly, and if the Bill is passed again by the Houses, with or without amendment and presented to the President for assent, the President shall not withhold assent therefrom.

Art. 111: Assent to Bills.—See under Art. 200, *post*.

Procedure in Financial Matters

Art. 112. (1) The President shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the Government of India for that year, in this Part referred to as the "annual financial statement".

90. *Kewal Krishan Puri v. State of Punjab*, AIR 1980 SC 1006 (para 7) : (1980) 1 SCC 436.

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(2) The estimates of expenditure embodied in the annual financial statement shall show separately—

- (a) the sums required to meet expenditure described by this Constitution as expenditure charged upon the Consolidated Fund of India; and
- (b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of India,

and shall distinguish expenditure on revenue account from other expenditure.

(3) The following expenditure shall be expenditure charged on the Consolidated Fund of India—

- (a) the emoluments and allowances of the President and other expenditure relating to his office;
- (b) the salaries and allowances of the Chairman and the Deputy Chairman of the Council of States and the Speaker and the Deputy Speaker of the House of the People;
- (c) debt charges for which the Government of India is liable including interest, sinking fund charges and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt;
- (d) (i) the salaries, allowances, and pensions payable to or in respect of Judges of the Supreme Court;
- (ii) the pensions payable to or in respect of Judges of the Federal Court;
- (iii) the pensions payable to or in respect of Judges of any High Court which exercises jurisdiction in relation to any area included in the territory of India or which at any time before the commencement of this Constitution exercised jurisdiction in relation to any area included in a Governor's Province of the Dominion of India;⁹¹
- (e) the salary, allowances, and pension payable to or in respect of the Comptroller and Auditor-General of India;
- (f) any sums required to satisfy any judgment, decree or award of any Court or arbitral tribunal;
- (g) any other expenditure declared by this Constitution or by Parliament by law to be so charged.

Procedure in Parliament with respect to estimates. Art. 113. (1) So much of the estimates as relates to expenditure charged upon the Consolidated Fund of India shall not be submitted to the vote of Parliament, but nothing in this clause shall be construed as preventing the discussion in either House of Parliament of any of those estimates.

(2) So much of the said estimates as relates to other expenditure shall be submitted in the form of demands for grants to the House of the People, and the

⁹¹. Substituted for the words "corresponding to . . . First Schedule", by the Constitution (7th Amendment) Act, 1956.

House of the People shall have power to assent, or to refuse to assent, to any demand, or to assent to any demand subject to a reduction of the amount specified therein.

(3) No demand for a grant shall be made except on the recommendation of the President.

Art. 113: Voting of estimates.—See under Art. 203, post.

Appropriation Bills.

Art. 114. (1) As soon as may be after the grants under article 113 have been made by the House of the People, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of India of all moneys required to meet—

- (a) the grants so made by the House of the People; and
- (b) the expenditure charged on the Consolidated Fund of India but not exceeding in any case the amount shown in the statement previously laid before Parliament.

(2) No amendment shall be proposed to any such Bill in either House of Parliament which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of India, and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final.

(3) Subject to the provisions of articles 115 and 116, no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law passed in accordance with the provisions of this article.

Art. 114: Appropriation Bills.—See under Art. 204, post.

Art. 115. (1) The President shall—

(a) if the amount authorised by any law made in accordance with the provisions of article 114 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, or

(b) if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, cause to be laid before both the Houses of Parliament another statement showing the estimated amount of that expenditure or cause to be presented to the House of the People a demand for such excess, as the case may be.

(2) The provisions of articles 112, 113, and 114 shall have effect in relation to any such statement and expenditure or demand and also to any law to be made authorising the appropriation of moneys out of the Consolidated Fund of India, to meet such expenditure or the grant in respect of such demand as they have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorisation of

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appropriation of moneys out of the Consolidated Fund of India to meet such expenditure or grant.

Art. 115: **Supplementary grants.**—See under Art. 205, *post*.

Votes on account,
votes of credit
and exceptional
grants.

Art. 116. (1) Notwithstanding anything in the foregoing provisions of this Chapter, the House of the People shall have power—

- (a) to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending the completion of the procedure prescribed in article 113 for the voting of such grant and the passing of the law in accordance with the provisions of article 114 in relation to that expenditure;
- (b) to make a grant for meeting an unexpected demand upon the resources of India when on account of the magnitude or the indefinite character of the service the demand cannot be stated with the details ordinarily given in an annual financial statement;
- (c) to make an exceptional grant which forms no part of the current service of any financial year;

and Parliament shall have power to authorise by law the withdrawal of moneys from the Consolidated Fund of India for the purposes for which the said grants are made.

(2) The provisions of the articles 113 and 114 shall have effect in relation to the making of any grant under clause (1) and to any law to be made under that clause as they have effect in relation to the making of a grant with regard to any expenditure mentioned in the annual financial statement and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet such expenditure.

Special provisions
as to financial
Bills.

Art. 117. (1) A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President and a Bill making such provision shall not be introduced in the Council of States:

Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax.

(2) A Bill or amendment shall not be deemed to make provision for any of the matters aforesaid by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration, or regulation of any tax by any local authority or body for local purposes.

(3) A Bill which, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of India shall not be passed by either

House of Parliament unless the President has recommended to that House the consideration of the Bill.

Art. 117: Financial Bill.—See under Art. 207, post.

Procedure Generally

Art. 118. (1) Each House of Parliament may make rules for regulating, subject to the provisions of this Constitution, its procedure . . . 92 and the conduct of its business.

(2) Until rules are made under clause (1), the rules of procedure and standing orders in force immediately before the commencement of this Constitution with respect to the Legislature of the Dominion of India shall have effect in relation to Parliament subject to such modifications and adaptations as may be made therein by the Chairman of the Council of States or the Speaker of the House of the People, as the case may be.

(3) The President, after consultation with the Chairman of the Council of States and the Speaker of the House of the People, may make rules as to the procedure with respect to joint sittings of, and communications between, the two Houses.

(4) At a joint sitting of the two Houses the Speaker of the House of the People, or in his absence such person as may be determined by rules of procedure made under clause (3), shall preside.

Rules of Procedure.—1. 'Subject to the provisions of the Constitution', each House of Parliament or of a State Legislature [Art. 208, post] may make Rules for regulating its procedure or conduct of business, 93 as well as ancillary matters. 94

2. Courts have no power to interfere with such Rules or their administration 95 unless there is a contravention of some provision of the Constitution. 96

3. Each House has the absolute right of interpreting its Rules and the Courts have no jurisdiction to interfere with the Speaker's discretion in the matter of application of the Rules relating to the internal management of the House e.g., whether a motion related to a matter of 'recent occurrence' 97 or whether a Committee of Privileges reported in time.

4. The Rules framed under the present Article [or Art. 208] (if otherwise valid) constitute 'procedure established by law' within the meaning of Art. 21. 98

Art. 119. Parliament may, for the purpose of the timely completion of financial business, regulate by law the procedure of, and the conduct of business in, each House of Parliament in relation to any financial matter or to any Bill for the appropriation of moneys out of the Consolidated Fund of India,

Regulation by law of procedure in Parliament in relation to financial business.

92. The words 'including . . . House', which were inserted by the Constitution (42nd Amendment) Act, 1976, have been omitted by the 44th Amendment Act, 1978.
93. Godavari S. Misra, Nandkishore, AIR 1953 Or: 111.
94. Godavari S. Misra, Nandkishore, AIR 1953 Or: 111.
95. Godavari S. Misra, Nandkishore, AIR 1953 Or: 111.
96. Godavari S. Misra, Nandkishore, AIR 1953 Or: 111.
97. Cf. Anand Bhori Mishra v. Ram Sahay, AIR 1952 M.B. 31 (44).
98. Sharma, M.S.M. v. Sri Krishna Saha, AIR 1959 SC 395 : 1959 Supp. (1) 5CR 806.

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and, if and so far as any provision of any law so made is inconsistent with any rule made by a House of Parliament under clause (1) of article 118 or with any rule or standing order having effect in relation to Parliament under clause (2) of that article, such provision shall prevail.

Language to be used in Parliament. **Art. 120.** (1) Notwithstanding anything in Part XVII, but subject to the provisions of article 348, business in Parliament shall be transacted in Hindi or in English:

Provided that the Chairman of the Council of States or Speaker of the House of the People or person acting as such, as the case may be, may permit any member who cannot adequately express himself in Hindi or in English to address the House in his mother tongue.

(2) Unless Parliament by law otherwise provides, this article shall, after the expiration of a period of fifteen years from the commencement of this Constitution, have effect as if the words "or in English" were omitted therefrom.

Restriction on discussion in Parliament. **Art. 121.** No discussion shall take place in Parliament with respect to the conduct of any Judge of the Supreme Court or of a High Court in the discharge of his duties except upon a motion for presenting an address to the President praying for the removal of the Judge as hereinafter provided.

Courts not to inquire into proceedings of Parliament. **Art. 122.** (1) The validity of any proceedings in Parliament shall not be called in question on the ground of any alleged irregularity of procedure.

(2) No officer or member of Parliament in whom powers are vested by or under this Constitution for regulating procedure or the conduct of business, or for maintaining order, in Parliament shall be subject to the jurisdiction of any court in respect of the exercise by him of those powers.

Courts not to inquire into proceedings of Legislature.—See under Art. 211, *post.*

CHAPTER III

LEGISLATIVE POWERS OF THE PRESIDENT

Power of President to promulgate Ordinances during recess of Parliament.

Art. 123. (1) If at any time, except when both Houses of Parliament are in session, the President is satisfied that circumstances exist which render it necessary for him to take immediate action, he may promulgate such Ordinance as the circumstances appear to him to require.

(2) An Ordinance promulgated under this article shall have the same force and effect as an Act of Parliament, but every such Ordinance—

- (a) shall be laid before both Houses of Parliament and shall cease to operate at the expiration of six weeks from the reassembly of Parliament, or, if before the expiration of that period resolutions disapproving it are passed by both Houses, upon the passing of the second of those resolutions; and
- (b) may be withdrawn at any time by the President.

Explanation.—Where the Houses of Parliament are summoned to reassemble on different dates, the period of six weeks shall be reckoned from the later of those dates for the purposes of this clause.

(3) If and so far as an Ordinance under this article makes any provision which Parliament would not under this Constitution be competent to enact, it shall be void.

(4) *Omitted.*

Amendments and effect thereof.—Clause (4) was added by the Constitution (38th Amendment) Act, 1975, in order to make it clear that the satisfaction of the President [referred to in Cl. (1)] that 'circumstances exist which render it necessary for him to take immediate action' shall not be questionable in any Court on any ground, e.g., that it was *mala fide* or colourable, say, to circumvent judicial decisions; or was irrelevant to the circumstances.

The omission of that Cl. (4), by the 44th Amendment Act follows the view of the minority in *Cooper's case*² that notwithstanding the fact that the satisfaction of the President under Cl. (1) was subjective, it could be challenged on the ground of *mala fides*.³

1. Clause (4) was inserted by the Constitution (38th Amendment) Act, 1975, and omitted by the 44th Amendment Act, 1978.
2. *Cooper, R.G. v. Union of India*, AIR 1970 SC 564 (588, 644) : (1970) 1 SCC 248.
3. This view is now supported by *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 27, 29) : (1982) 1 SCC 271.

Cl. (1): 'Is satisfied'.—1. The satisfaction of the President that 'circumstances exist which render it necessary for him to take immediate action' is a condition precedent to the exercise of the power, and is, accordingly, justiciable.⁴

2. Nevertheless, it is for the petitioner to make out a *prima facie* case that there *could not* have existed any circumstances whatever necessitating the issuance of the Ordinance, before the Government may be called upon to disclose the facts which are within its knowledge.⁵ Every casual challenge to the existence of such circumstances will not be enough to shift the burden of proof to the Executive to establish those circumstances.⁶

3. Of course, the petitioner may rely on reasons given in the Ordinance itself, if any, or those which are patent from undisputed facts.⁷

4. The 'satisfaction' of the President is governed by the advice of the Council of Ministers.⁸

Cl. (2): Competence of the President.—1. In view of this provision, whenever any question arises as to competence of the President to make a particular Ordinance, it is to be ascertained whether Parliament had the competence to make a law on that subject, and to the same extent.⁹

2. For the same reason, an Ordinance would be open to challenge on the ground that (a) it constitutes colourable legislation,¹⁰ or (b) it contravenes any of the fundamental rights,¹¹ or (c) it violates substantive provisions such as Art. 301,¹² or (d) its retroactivity is unconstitutional.¹³

'Same force and effect as an Act of Parliament'.—1. By reason of these words, the competence of the President to make an Ordinance is co-extensive with the power of Parliament to make a law on the same subject.¹⁴ Hence, all the Entries in the Legislative List which are available to Parliament can be applied to uphold the validity of an Ordinance made by the President.¹⁵

2. An Ordinance made by the President (or Governor) is not an executive but a *legislative act*.¹⁶ It is, therefore, a law coming under Arts. 13(2) and 21.¹⁷

4. This view, expressed at p. 274 of the Ninth Ed., is now supported by *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 27, 29) : (1982) 1 SCC 271.
5. This view, expressed at p. 274 of the Ninth Ed., is now supported by *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 27, 29) : (1982) 1 SCC 271.
6. This view, expressed at p. 274 of the Ninth Ed., is now supported by *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 27, 29) : (1982) 1 SCC 271.
7. *State of Rajasthan v. Union of India*, AIR 1977 SC 1361 (paras 124-25) (1977) 2 SCC 592.
9. *Venkata Reddy, T. v. State of A.P.*, AIR 1985 SC 724 (paras 18-14, 19) : (1985) 3 SCC 198; *Nagaraj, K. v. State of A.P.*, AIR 1985 SC 551 : (1985) 1 SCC 523.
9. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 3, 6-8, 14-19) : (1979) 4 SCC 232.
10. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 3, 6-8, 14-19) : (1979) 4 SCC 232; *Wadhwa, D.C. v. State of Bihar*, AIR 1967 SC 579 (para 7) : (1967) 1 SCC 378.
11. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 3, 6-8, 14-19) : (1979) 4 SCC 232; *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 12, 15, 16, 22, 31) : (1982) 1 SCC 271.
12. *Cooper, R.C. v. Union of India*, AIR 1970 SC 564 (588, 644) : (1970) 1 SCC 248.
13. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 3, 6-8, 14-19) : (1979) 4 SCC 232.
14. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 3, 6-8, 14-19) : (1979) 4 SCC 232.
15. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 4, 6-8, 14-19) : (1979) 4 SCC 232.
16. *Venkata Reddy, T. v. State of A.P.*, AIR 1985 SC 724 (paras 13-14, 19) : (1985) 3 SCC 198; *Nagaraj, K. v. State of A.P.*, AIR 1985 SC 551 : (1985) 1 SCC 523; *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 12, 15, 16, 22, 31) : (1982) 1 SCC 271.
17. *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 12, 15, 16, 22, 31) : (1982) 1 SCC 271.

3. It follows, therefore, that an Ordinance would offend against Art. 21 if the procedure laid down by it is arbitrary or unreasonable¹⁸ or it is not definite and reasonably ascertainable, or the precise extent of the deprivation of life or liberty by it is not defined in it.¹⁹

4. All the Entries in the Legislative List which are available to Parliament can be applied to uphold the validity of an Ordinance made by the President.²⁰

5. An Ordinance can, therefore, create an offence²¹ or make or amend a tax law, i.e., to make a 'Money Bill', without complying with Arts. 109-110, because Parliament is not then in session, and because of the emergent conditions, the legislation can not be postponed until Parliament is in a position to sit.²²

6. Conversely, an Ordinance can not do what Parliament could not do by enacting an Act.²³

7. When Parliament later sits and enacts a law, giving it retrospective effect since the issue of an Ordinance, it is futile to challenge the constitutional validity of the Ordinance because whatever has been done by the Ordinance is validated by the retrospective Act made by Parliament.²⁴

8. Just as the propriety of the exercise of a legislative power or the motives of the Legislature in passing a statute can not be questioned in a court of law, so also an Ordinance passed under Art. 123 or 213 can not be questioned on the ground that the President (or the Governor) did not apply his mind to its provisions before passing it.²⁵

Cl. (2) (a): 'Shall cease to operate at the expiration of six weeks'.--The words 'cease to operate' do not mean that the Ordinance shall be *void ab initio* if resolutions disapproving it are passed by the Houses of the Legislature or if the Ordinance is not replaced by an Act of the legislature or the President (or the Governor as the case may be) does not lay it before the legislature as required by this sub-clause.²⁶

On the other hand, since Cl. (2) says that an Ordinance shall have the same force as an Act of Parliament, the Ordinance shall take effect as soon as it is promulgated by the President (or the Governor, as the case may be) and that position can not be reversed unless the legislature passes an Act to the same effect, with retrospective effect, subject to constitutional limitations. A mere disapproval of an Ordinance can not revive closed or completed transactions. Thus, if certain posts are abolished by an Ordinance which ceases to operate under Cl. (2)(a), such posts can not be revived unless the legislature passes an Act to that effect or creates new posts of the like nature.²⁷ Similarly, where elections held are set aside by Court and an Ordinance is made validating those elections, the invalidity of the elections is not revived by the mere fact that the Ordinance lapses and is not replaced by an Act of the legislature.²⁸

18. *Cf. Maneka Gandhi v. Union of India*, AIR 1978 SC 597 (para 56) : (1978) 1 SCC 248.

19. *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 12, 15, 16, 22, 31) : (1982) 1 SCC 271.

20. *Sat Pal and Co. v. Lt. Governor, Delhi*, AIR 1979 SC 1550 (paras 3, 6-8, 14-19) : (1979) 4 SCC 232; *A. K. Roy v. Union of India*, AIR 1982 SC 710 (paras 12, 15, 16, 22, 31) : (1982) 1 SCC 271.

21. *State of Punjab v. Mohor Singh*, AIR 1955 SC 84 : 1955 (1) SCR 893.

22. *Garg, R.K. v. Union of India*, AIR 1981 SC 2138 (para 5) : (1981) 4 SCC 676.

23. *Garg, R.K. v. Union of India*, AIR 1981 SC 2138 (para 5) : (1981) 4 SCC 676.

24. *Garg, R.K. v. Union of India*, AIR 1981 SC 2138 (para 5) : (1981) 4 SCC 676.

25. *Venkata Reddy, T. v. State of A.P.*, AIR 1985 SC 724 (paras 13-14, 19) : (1985) 3 SCC 198; *Nagaraj, K. v. State of A.P.*, AIR 1985 SC 551 : (1985) 1 SCC 523.

26. *Venkata Reddy, T. v. State of A.P.*, AIR 1985 SC 724 (paras 13-14, 19) : (1985) 3 SCC 198; *Nagaraj, K. v. State of A.P.*, AIR 1985 SC 551 : (1985) 1 SCC 523.

27. *Venkata Reddy, T. v. State of A.P.*, AIR 1985 SC 724 (paras 13-14, 19) : (1985) 3 SCC 198; *Nagaraj, K. v. State of A.P.*, AIR 1985 SC 551 : (1985) 1 SCC 523.

28. *State of Orissa v. Bhubendra Kumar Bose*, AIR 1962 SC 945 (955) : 1962 Supp. (2) SCR 380; *Garg R.K. v. Union of India*, AIR 1981 SC 2138 (2145) : (1981) 4 SCC 676.

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In short, the rights and obligations created by an Ordinance take effect as soon as the Ordinance is promulgated, and they are not extinguished by any subsequent event excepting the proper legislation by the appropriate legislature extinguishing those rights or obligations.²⁹

[See, further, C7, Vol. G/1, pp. 2ff.].

29. *State of Orissa v. Bhupendra Kumar Bose*, AIR 1962 SC 945 (955) : 1962 Supp. (2) SCR 380; *Garg R.K. v. Union of India*, AIR 1981 SC 2138 (2745) : (1981) 4 SCC 676.