
CASE ANALYSIS: U.P. SALES TAX SERVICE ASSOCIATION VS. TAXATION BAR ASSOCIATION, AGRA & ORS.

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PETITIONER: U.P. SALES TAX SERVICE ASSOCIATION

VS.

RESPONENT: TAXATION BAR ASSOCIATION, AGRA & ORS.

DATE OF JUDGEMENT: 01/09/1995

CITATION: 1996 AIR 98 1995 SCC (5) 716 JT 1995 (6) 306 1995 SCALE (5) 102

BENCH: Justice Ramaswamy.K & Justice Hansaria.B.L.

ACT:

1. Section 9 of the Uttar Pradesh sales Tax Act,1948
2. Section 15 of the Contempt of Courts Act,1971
3. Section 9 of the Civil Procedure Code,1908

FACT OF THE CASE:

The facts, not controversial, are that on 2nd September, 1993, pursuant to a resolution passed by the Taxation Bar Association, Agra, one **Ramesh Chander Gupta**, Advocate and President of that Association, along with two others met respondent No.3, **Satti Din**, the appellate authority in his chamber , accused him of “demanding illegal gratification in the discharge of his duties as appellate authority and dissatisfaction widely prevailing among the advocates and litigants”.

Allegations and counter-allegations of hurling abuses against each other have been made, resulting in widespread violence. It would appear from the record that the members of

the appellant Association, the staff of the Government officers in Agra and some general public on the one hand and advocates on the other hand are alleged to have been involved in violence.

Crimes have been registered against each other, law will take its own course. Suffice it to state that the 1st respondent appears to have made a representation to the District Magistrate, Agra, who thereon asked Satti Din to go on leave on the condition that advocates would withdraw the strike.

Though Satti Din had initially gone on leave, the advocates continued to strike.

On his superior officer's instructions, Sattin Din rejoined duty as appellate authority.

On registration of the crime case against the advocates, it would appear that on **September 6, 1993**, an emergency meeting of the associations of Agra and Firozabad was held and it was resolved to boycott the courts and observe a total strike on September 7, 1993, and in a joint meeting of all the Associations a resolution was passed resolving immediate enquiry into the charges of corruption against, and transfer of respondent No.3.

They further resolved to continue to boycott courts and go on an indefinite strike called by the Taxation Bar Associations. The advocates made *representation to the Governor on 4th September, 1993 and made* further representations to all concerned. It would appear that they had also approached the Advocate General to initiate contempt proceedings against the 3rd respondent and the Advocate General also appears to have issued *show cause notice to the 3rd respondent* under **Section 15 of the Contempt of Courts Act.**¹

We are not concerned with the legality or appropriateness of any of the said proceedings. Suffice it to state that when the indefinite strike evoked no response, the 1st respondent filed the **writ petition for a mandamus** for the aforestated reliefs.

FACT IS ISSUE:

1. Whether the High Court could issue a writ or direction prohibiting a statutory authority, viz., the Appellate Authority under *Section 9 of the Uttar Pradesh sales Tax Act*, from

¹ In the case of any criminal contempt of a subordinate court, the High Court may take action on a reference made to it by the subordinate court on a motion made by the Advocate-General or, in relation to a Union territory, by such Law Officer as the Central Government may, by notification in the Official Gazette, specify in this behalf

discharging the quasi-judicial functions; direction to the State Government to withdraw all powers from it and transfer the pending cases before the officer to any other authority?

2. Whether advocates would be justified to go on strike as a pressure group in that behalf?

ALLEGATION BY PETITIONER:

The allegation of Ramesh Chander Gupta is that the 3rd respondent was demanding in every case **25 percent** of the assessable tax as illegal gratification was not paid. It is not his case that he paid the alleged demanded amount. In the above said appeal, the assessee filed his return for the year **1989-90** and the admitted liability was of **Rs.16,38,121.38**. The turnover was about **10 crore**. The disputed tax amount was **Rs.93,07,457.02**. The 3rd respondent allowed the appeal and reduced the tax liability from **Rs.93,07,457.02** and assessed the tax for **Rs.70,21,943.70**. Except the allegation on this occasion, and repetition thereafter by the other advocates, no allegation of corruption was imputed to the 3rd respondent at any point of time earlier to **2nd September, 1993**. It appears from the affidavit filed by one of the advocates before the Sales Tax Commissioner that the 3rd respondent dismissed his appeals for default.

REASONING FOR ALLEGATION:

In the face of the Government's undisputed record of integrity of the officer and in the absence of any allegation of corruption prior to **2nd September, 1993** and in the face of dismissal of the appeals for default, it would appear that the 3rd respondent was not easily conceding to the prayer for adjournments but was disposing of matters on merits. Thus, he appears to have incurred the displeasure of the advocates, who, it may be, invented the imputation to avoid inconvenient officers. The consequential strike was carried out by the advocates but to no success. When it was proved to be ineffective, they tapped the judicial process under **Article 226** (each High Court within India's territorial jurisdiction has the ability and power to issue orders, instructions, and writs, to any individual or authority, including the government, for the enforcement of Part III of the Indian Constitution or basic fundamental rights and other legal rights within its own jurisdiction.) of the Constitution on **13th October, 1993** and the High court at the admission stage issued the interim direction practically allowing the writ petition on October 14, 1993.

To determine whether there is some substance in the allegations of corruption imputed

to the officer, we issued a notice to the Government to produce his confidential service records and also directed the Secretary to the Government to file an affidavit, pursuant to which the Secretary has filed an affidavit and has also produced confidential service records of the 3rd respondent.

We find no adverse remarks, much less any allegation of corruption made against the 3rd respondent at any time. The Secretary has certified that the officer is competent and honest, but an average officer. It would appear from the record that the allegation of demand of illegal gratification was mentioned for the first time by Ramesh Chander Gupta on 2nd September, 1993.

To support the imputation, he filed a copy of the decision dated 28th July, 1993 rendered by the 3rd respondent in the matter of *M/s. Ashok Auto Sales Nunihai, Agra v. Assistant Commissioner [Assessment]*.

REASONING FOR ISSUE 1:

Judicial review is the basic structure of our Constitution which entrusts that power to the Judiciary. Judiciary is the **sentinel on the qui vive**² to protect the liberty and rights of the citizens, apart from keeping the other organs of the state exercising that process within the confines of the Constitution and the laws, **Articles 323A and 323B** empowers the Parliament and the appropriate legislature to make law to constitute Tribunals to adjudicate the disputes, complaints or offenses with respect to all or any of the matters specified therein. **Sub-clause 2 (a) of Article 323B** provides for constitution of the Tribunal “for levy, assessment, collection and enforcement of any tax.

A glance at the provisions in **Section 9** of the Act shows that any dealer or other person aggrieved by an order of the assessing authority, other than those passed under excluded sections, is provided with a right of appeal to the appellate authority. It also regulates the procedure for disposal of the appeal and in some cases the orders attain finality and in some cases the orders are appeal-able to the Sales Tax Tribunal.

The appellate authority has powers, after giving opportunity of hearing, to annul or modify the order of the assessing officer, and to reduce or enhance the amount of assessment

² Watchful guardian of fundamental rights

or penalty arising from the orders of the assessing authority. It is also empowered to set aside the order and to direct re-assessment of to pass fresh order after a specified enquiry or to submit a report within the specified time.

Section 9 of the CPC³ envisages excluding taking cognizance of civil disputes by express provisions or by necessary implication. It would thus be clear that as under the Act, though the dispute in relation thereto is a cognizable civil dispute by a civil court of competent jurisdiction, the statute, by necessary implication, takes out the disputes covered by the Act from the jurisdiction of the civil court and gives exclusive jurisdiction to the appellate authority and a further revision to the Tribunal with ultimate power of judicial review by the High court under **Article 226 of the Constitution**.

It is fundamental that if the rule of law is to have any meaning and content, the authority of the court or a statutory authority and the confidence of the public in them should not be allowed to be shaken, diluted or undermined. The courts of justice and all tribunals exercising judicial functions from the highest to the lowest are by their constitution entrusted with functions directly connected with the administration of justice. It is that expectation and confidence of all those, who have or are likely to have maintained so that the court/tribunal perform all their functions on a higher level of rectitude without fear or favour, affection or ill-will.

DEFAMATION OF AUTHORITY:

Casting defamatory expressions upon the character, ability or integrity of the judge/judicial officer/authority undermines the dignity of the court/authority and it would tend to create distrust in the popular mind and impede confidence of the people in the courts/tribunals, which is of prime importance to the litigants in the protection of their rights and liberties. The protection of the judges/ judicial officers/authority is not personal but accorded to protect the institution of the judiciary and undermine the public confidence in the efficacy of the judicial process. Protection, therefore, is for fearless crucial process. Any scurrilous, offensive, intimidating or malicious attack on the judicial officer/authority beyond

³ Courts to try all civil suits unless barred. - The Courts shall (subject to the provisions herein contained) have jurisdiction to try all suits of a civil nature excepting suits of which their cognizance is either expressly or impliedly barred.

consolable limits, amounts to scandalizing the court/tribunal, amendable to not only conviction for its contempt but also liable to libel or defamation and damage personally or group libel.

Maintenance of dignity of the court/judicial officer or quasi-judicial authority is, therefore, one of the cardinal principles of rule of law embedded in judicial review, any uncalled for statement or allegation against the judicial officer/statutory authorities, casting aspersions of court's integrity or corruption would justify initiation of appropriate action for scandalizing the court or tribunal or vindication of authority or majesty of the court/tribunal. The accusation of the judicial office or authority or arbitrary and corrupt conduct undermines their authority and rudely shakes them and public confidence in proper dispensation of justice. It is of necessity to protect dignity or authority of the judicial officer to maintain the stream of justice pure and unobstructed. The judicial officer/authority needs protection personally. Therefore making wild allegations of corruption against the presiding officer amounts to scandalizing the court/statutory authority. Imputation of motives of corruption to the judicial officer/authority by any person or group of persons is a serious inroad into the efficacy of judicial process and threat to judicial independence and needs to be dealt with strong arm of law.

REASONING FOR ISSUE 2:

It has been a frequent spectacle in the recent past to witness that advocates strikes work and boycott the courts at the slightest provocation overlooking the harm caused to the judicial system in general and the litigant public in particular and to themselves in the estimate of the general public. An advocate is an officer of the court and enjoys a special status in the society. The workers in furtherance of collective bargaining organism strike as per the provisions of the Industrial Disputes Act as a last resort to compel the management to concede their legitimate demands. It is not necessary to go into the question whether the advocates, like workmen, have any right at all to go on strike or boycott court.

Opinion of advocates:

Shri K.K. Venugopal, a leading senior member of this bar and ex-president of the Supreme Court Bar Association, in this article "*The Legal Profession at the Turn of the Century*"⁴ opined that boycott amounts to contempt of court and the advocates participating in

⁴ [1989 INLST 121],

the strike keep their clients as hostages and their interests in jeopardy.

Shri P.P.Rao, another senior member of this Bar and former President of the Supreme Court Bar Association in his article “*strike by Professional*”⁵ opined that it amounts to professional misconduct.

Shri H.M.Seervai, a noted distinguished jurist in his article “*Lawyers strike and the Duty of the Supreme Court*”⁶ opined that lawyers ought to know that at least as long as lawful redress is available to aggrieved lawyers, there is no justification for lawyers to join in an illegal conspiracy to commit a gross, criminal contempt of court, thereby striking at the heart of the liberty conferred on every person by our constitution. Strike is an attempt to interfere with the administration of justice. The principle is that those who have duties to discharge in a court of justice are protected by the law and are shielded by the law to discharge those duties, the advocates in a court of justice are protected by the law and are shielded by the law to discharge those duties, the advocates in return have duty to protect the courts. For once conceded that lawyers are above the law courts, there can be no limit to lawyers taking the law into their hand to paralyse the working of the courts. “*In my submission*”, he said that “it is high time that the Supreme Court and the High Court make it clear beyond doubt that they will not tolerate any interference from anybody or authority in the daily administration of justice. For in no other way can the Supreme court and the High Court maintain the high position and exercise the great powers conferred by the Constitution and the law to do justice without fear or favour, affection or ill-will”

Shri Nariman, another learned senior member of this court and President of the Bar Association of India and Editor of the Indian Advocate-in his article “*Boycott lawyers’ weapon*”⁷ opined that when the lawyers boycott the courts, confidence in the administration of justice is shaken. The longer the boycott the greater the jeopardy to the system. The boycotting of a court by members privileged to practise, there is virtually holding delays. An abstention from the courts by those who have held themselves out as practising, there is a threat to the administration of law and undermines the rule of law which is the bedrock of our constitution. He ended with a quotation by Sir Norman Macleod that “those who live by the

⁵ published in Indian Advocate-journal of the Bar Association of India [Vol.XXIII 1991 part I]

⁶ republished in the Indian Advocate [Vol. XXIII 1991 part I]

⁷ published in the Journal ‘Indian Advocate’ [vol. XVIII 1978 Nos. 1&2]

law should keep the law.”⁸

In a recent article by *R.D. Sharma* published in *Pioneer* dated 9th August, 1994, it is stated that law courts do not belong to the lawyers alone. They belong to the people. Lawyers must realize the untold hardships and misers to which the litigants are subjected to and the extent to which the cause of justice suffers on each day they boycott the courts on one pretext or another. It is this realization which needs to be asserted vigorously than ever before. It is, therefore, stated that the public image of the lawyers admittedly is at its nadir and if remedial steps are not initiated from within, a day will come when society finds it convenient to dispense with them altogether. If it happens, it will be bad not only for the profession but also for freedom, democracy and rule of law in the country.

CASES CITED IN THE CASE:

Brahma Prakash Sharma & Ors v. the State of Uttat Pradesh air 1954 SC 10

In this case a constitutional Bench of this court held that a resolution passed by the Bar Association expressing want of confidence in the judicial officers amounts to scandalizing the court to undermine its authority and thereby committed contempt of the court.

Tarini Mohan & Ors. V. Pleders⁹

The facts were that pursuant to the resolution passed by the Bar Association to boycott the subordinate court as a protest against for alleged ill-treatment of pleaders, the petitioner-pleaders refused to appear in the court. Action was drawn up under **Section 14 of the Legal Practitioners Act** against several pleaders for their failure to appear in the court in matters which were entrusted to them by their clients. The full bench of the High Court held that pleader deliberately abstained from attending the court and took part in a concerted movement to boycott the court a course of conduct held not justified. The pleaders had duties and obligations to their clients in respect of suits and matters entrusted to them which were pending in the that court. They had duty and obligation to cooperate with the court in the orderly administration of justice. By the course which they had adopted, the pleaders violated and neglected those duties and obligation in both those respects. If the pleaders thought they had a

⁸ [AIR 1920 Bombay 168]

⁹ AIR 1923 Calcutta 212

just cause of complaint, they had two courses open to them to make a representation to the District judge or to the High court. Thus boycotting the court was held to be highhanded and unjustified and further action was dropped with the hope that those observations would be sufficient to prevent any warning that if the conduct was repeated the consequences might be of serious nature.

This ration was followed in the matter of pleader¹⁰ wherein also in pursuance of the resolution of the local Bar Association to boycott to court, a pleader refrained from appearing in the court without obtaining his client's consent and left his client undefended as a result of which his client was detained in jail for about a month more. The division Bench held that the pleader was guilty of unprofessional conduct and the subsequent consent given by the client did not affect his liability.

Federal Trade Commission V. Superior Court Trial Lawyers Association:¹¹

The Attorneys who regularly accepted court appointments to represent indigent defendants in minor felony and misdemeanor cases before the District of Columbia Superior Court sought an increase in the fees failed, all the attorneys, as a group, agreed among themselves that they would not accept any new cases after a certain date, if the District of Columbia had not passed legislation providing for an increase in their fees. The trial lawyers' association to which the attorneys belonged supported and publicized their agreement. When they were not accepting the briefs which affected the District's criminal justice system, the Federal Trade Commission filed a complaint against the trial lawyers' association complaining that they had entered into a conspiracy to fix prices and go in for a boycott which was an unfair method of competition violation **Section 5 of the Federal Trade Commission Act**. The administrative law judge rejected various defenses of the association and recommended that the complaint to browbeat the boycott be dismissed. The Court of Appeals for the District of Columbia reversed the FTC order holding that the attorneys are protected by Federal Constitution's First Amendment etc. On *certiorari*, majority of U.S.A. Supreme Court speaking through Stevens.J. held that the lawyers had no protection of the First Amendment and the action of the group of attorneys to boycott the courts constituted restraint of trade within the meaning of **Section 1 of Sherman Act** against unfair method of competition. Though

¹⁰ [AIR 1924 Rangoon 320]

¹¹ [493 US 411:107 L ED 2d 851] (1989)

the object was enactment of a favourable legislation, the boycott was the means by which the attorneys sought to obtain favourable legislation. The Federal Constitution's First Amendment does not protect them.

Own motion v. Mr. B.D.Kaushil &Ors.¹²

In this case, full court of the Delhi High Court was constrained to consider the outrageous conduct on the part of M/s. B.D.Kaushik, Rajinder kumar, Rajiv Khosla, Jugal Wadhwa, R.N. Vats, Jatin Singh and P.S.Rathee, condemners in that case. The condemners, aided and abetted by others in large number stormed various court rooms on September 26,1991 at about 10:30 a.m., When Judges were transacting their judicial functions; they individually and collectively stood on the chairs, tables and dais of the Court Mastermind acted in amazing manner shouted abuses and slogans such as "Chief Justice and Judges Hai Hai, Murabad". They also prevented various lawyers from discharging their judicial functions as officers of the Court and also stopped the litigants from conducting their cases in the Court. In a threatening tone they also shouted at the Judges saying "Stop the work, we will not allow the courts to function and you should retire to your Chambers". They insisted upon the Chief Justice in his court to listen to their Memorandum to be read by Rajiv Khosla which was read by B.D.Kaushik, the President of the Association. The contents of the Memorandum scandalized or tended to lower the authority of the High Court. This outrageous and unbecoming episode continued to linger on and hover in the High Court till almost 12.30p.m. The conscience of the Court was shocked due to the contumacious conduct of the condemners for initiation of the courts' suo motto action under **Article 215 of the Constitution**. The full bench, per majority, held that the contempt committed by the condemners is gravest and that it could not be imagined that any contempt worse than was possible, as the contempt was committed not by laymen but by those who are officers of the courts.

Common Cause V. Union of India¹³

In this case the court is directly grappling with the problem of strike by Advocates. Noticing that it was not necessary to go into the wider question whether members of the profession could at all go on strike or boycott courts, it was felt that a committee be constituted in that behalf to suggest steps to be taken to prevent such boycott or strike. The suggestions

¹² [1991 (4) Delhi Lawyer 316]

¹³ [1995 (1) SCALE 6]

made on November 13,1994, were incorporated in the order passed by this court as an interim measure that the Advocates should not resort to the strike or boycott the court or abstain from court except in serious, rarest of rare cases; instead, they should resort to peaceful demonstration so as to avoid causing hardship to the litigant public.

JUDGMENT:

The court indicated as under:

1. In the rare instance where any association of lawyers(including statutory Bar councils) considers it imperative to call upon and/or advise members of the legal profession to abstain from appearing in courts on any occasion, it must be left open to any individual members of the association to be free to appear without fear or hindrance or any other coercive step.
2. No such member who appears in court or otherwise practices his legal profession, shall be visited with any adverse or penal consequences, whatever, by any association of lawyers, and shall not suffer any expulsion or threat of expulsion therefrom.
3. The above will not preclude other forms of protest by practicing lawyers in courts such as, for instance, wearing of arm bands and other forms of protest disrupt the court proceedings or adversely affect the interest of the litigant. Any such forms of protest shall not however be derogatory to the court or to the profession
4. Office bearers of a Bar Association (including Bar Council) responsible for taking decisions mentioned in clause(1) above shall ensure that such decisions are implemented in the spirit of what is stated in clauses (1), (2) and (3) above.

Accordingly, the court directed the members of the bar to adopt further course of action in terms thereof. Instead of working that order in its letter and spirit and given a trial, strikes or boycotts of courts/tribunals are being continued abegging.

Supreme court Bar Association v. State of U.P.&ors.,

When writ petition No.553/94 titled **Supreme court Bar Association v. State of U.P.&ors.,** concerning contempt of the High Court by some of the members of the Bar Association of Allahabad High Court and the police officials had come up for orders, pursuant

to a suggestion made by the Bar by order dated February 21, 1995, this court directed the Attorney General to convene a meeting of some of the leading senior members of the Bar of the Supreme Court to suggest ways and means to tackle the problem of strike or Boycott by the Advocates. Pursuant thereto, the Attorney General for India held two meetings, whereat they reached consensus that a standing committee be constituted at different levels of courts to consider complaints and to manage the crisis. Similar views appears to have also been expressed by the Bar Council of India and also the Bar Council of the State of U.P.

The problem was relegated to be considered in the Common Cause Case. However, it would be imperative to remind ourselves that self-regulation alone would retrieve the profession from lost social respect and enable the members of the profession to keep the law as useful instrument of social order.

In this case, the respondent-Association and the advocates resorted to boycott the courts on the specious plea of non-transfer of Satti Din, the appellate authority, who seems to be honest and willing to discharge his duties diligently. When the Government stuck to its stand and did not yield to the pressure despite the strike, the Bar Association filed writ petition in the High Court.

Question is whether the High Court was justified in entertaining the writ petition and issuing the directions quoted above. *The High Court has power to issue a writ of prohibition* to prevent a court or tribunal from proceeding further when the inferior court or tribunal

- (a) proceeds to act without or in excess of jurisdiction
- (b) Proceeds to act in violation of the rules of natural justice
- (c) Proceeds to act under law which is itself ultra vires or unconstitutional
- (d) Proceeds to act in contravention of the fundamental rights

None of the these situations indisputably arises in this case. As noted above, **section 9 of the act** is a complete code in itself for conferment of jurisdiction on the appellate authority, the procedure for dispensation and the power to pass orders thereon. The appellate authority was acting in furtherance thereof. It has, therefore, to be seen whether the High Court was justified in issuing orders restraining the authority from exercising those statutory powers and

further to deprive that authority to exercise those powers by transferring the same to any other jurisdiction.

S. Govinda Menon v. Union of India & anr. ¹⁴

Relied on by the 1st respondent is of no avail. In that case the acts and omissions were imputed to the officer, doubting his integrity, good faith and devotion to duty expected of a civil servant, though integral to the discharge of statutory functions under *the Madras Hindu Religious and Charitable Endowments Act, 1951*. The question was whether the officer is amenable to disciplinary jurisdiction when his conduct or integrity was subject of disciplinary enquiry under *All India Service[Discipline and Appeal] Rules, 1995*. It was held therein that he was amenable to disciplinary jurisdiction and action for misconduct. This case has no relevance to the facts of the present case.

Dwarka Nath V. Income-tax Officer, special circle, D ward, Kanpur & Anr. ¹⁵

The decision is also of no assistance to the 1st respondent. Though this court was considering the scope and nature of the jurisdiction of the High Court under Article 226, there is no doubt now as regards the scope of the jurisdiction of the High Courts. However wide its power be, the question is whether a writ or order of prohibition could be issued statutory functions or transferring those functions to another jurisdiction.

Having given our anxious and careful consideration, we are of the considered view that the High Court does not have the aforesaid power. Exercise of such power generates its rippling effect on the subordinate judiciary and statutory parties or displeased members of the bar, by their concerted action they would browbeat the judicial officers or authorities, who would always be deterred from discharging their duties according to law without fear or favour or ill-will. Therefore, we hold that writ petition is not maintainable. The impugned orders are clearly and palpably illegal and are accordingly quashed.

Before parting with the case, we are distressed to notice, as rightly pointed out by the learned solicitor General, that an advocate instead of arming himself with armory of precedents, was armed with licensed revolver and was attending the courts with licensed fore-

¹⁴ [AIR 1967 SC 1274]

¹⁵ [AIR 1966 SC 81]

arm. He pretended to provide himself with the revolver to shoot in selfdefence. It is regrettable that advocates attend court with fire arms; it is not befitting to the dignity of the legal profession and is a distressing feature. Such conduct being not consistent with the dignity of the legal profession, to maintain and enhance which the 1st respondent is formed, the same needs to be deprecated. Before drawing the curtain-on this unsavory episode we express our deep appreciation for valuable assistance rendered by Shri Dipankar Gupta, learned solicitor General as amicus curiae and learned counsel.