TAXATION WITHOUT REPRESENTATION: DELEGATED AUTHORITY AND CITIZENS' RIGHTS IN THE SHADOW OF THE IN RE DELHI LAWS ACT

Khushi Sahni, OP Jindal Global University

ABSTRACT

This case analysis critically examines the landmark Supreme Court decision in Rajnarain Singh v. The Chairman, Patna Administration Committee (1954 AIR 569), focusing on the permissible limits of delegated legislation and the doctrine of essential legislative functions. The dispute arose from executive notifications issued under Section 3(1)(f) of the Patna Administration Act, 1915, which modified and extended provisions of the Bihar and Orissa Municipal Act, 1922 to Patna village. By omitting statutory safeguards namely Sections 4, 5, and 6 that provided citizens the right to object prior to tax imposition, the local government altered the essential legislative policy of the parent Act.

Building upon the judicial framework established in In Re Delhi Laws Act, this paper traces the legislative evolution from the Bengal Municipal Act, 1884 to the contested notifications of 1931 and 1951. It evaluates the High Court's initial validation of the notifications against the Supreme Court's ultimate reversal, which held that executive authorities cannot modify a statute in a manner that alters its core policy or delegates essential legislative tasks. Furthermore, the study offers an analytical critique of the judiciary's approach, exploring the intersection between administrative convenience, constitutional rights under Article 19(1)(a), and the agent-principal dynamic inherent to delegatory powers.

Keywords: Delegated Legislation, Essential Legislative Functions, Rajnarain Singh, Administrative Law, Ultra Vires, Executive Authority, Legislative Policy.

Rajnarain Singh vs The Chairman, Patna Administration.[1]

Facts.

The present case centres around the application of delegated legislation, wherein the appellant, Mr. Ghosh, representing the citizens of Patna village, has expressed concern over the legislative authority of the executive that goes beyond the limits of the central province in exercising and applying its authority. The case takes us back in time, to understand the evolution of Bengal Municipal Act 1884. In 1911, thereafter the Bihar and Orissa province was constituted under the same act. After four years Patna Administration Act was instituted in the year 1915 which came into force on 5th January 1916. According to our subjective categorization, this newly formed territory is now known as Patna Administration, and the Act granted the authority to the Local Government to establish a new municipality for it, which would thereafter be known as the Patna Administration Committee. In the schedule to the Act, the limits of this new territory were determined, and the Act gave it the name "Patna."[2]

The main issues in the case are borne out of Section 3 (1) (f) of the Act. Further, the Bengal Municipal Act 1844 was repealed and replaced by the Bihar and Orrisa Municipal Act of 1922. In furtherance of the changes and modifications made with respect of the Act, two notifications were released on 25th April 1931[3] and 25th April 1951[4] which were contended and were challenged to negate the purpose of the parent act (Bihar And Orissa Municipal Act 1922). The case is pretty much formed around the above explained factual matrix and challenges the validity of the notifications and discusses whether the same falls under the topic of delegated legislation or not. The said notifications however, vest the executive (Local Government) with the power to extend any provision to the area of Patna and modify and regulate the same as per what they deem fit and impose tax on the residents of the extended area of Patna Village contrary to the intent of the Act itself. Being unhappy with the implication of the notifications,

[1] AIR1953PAT117.

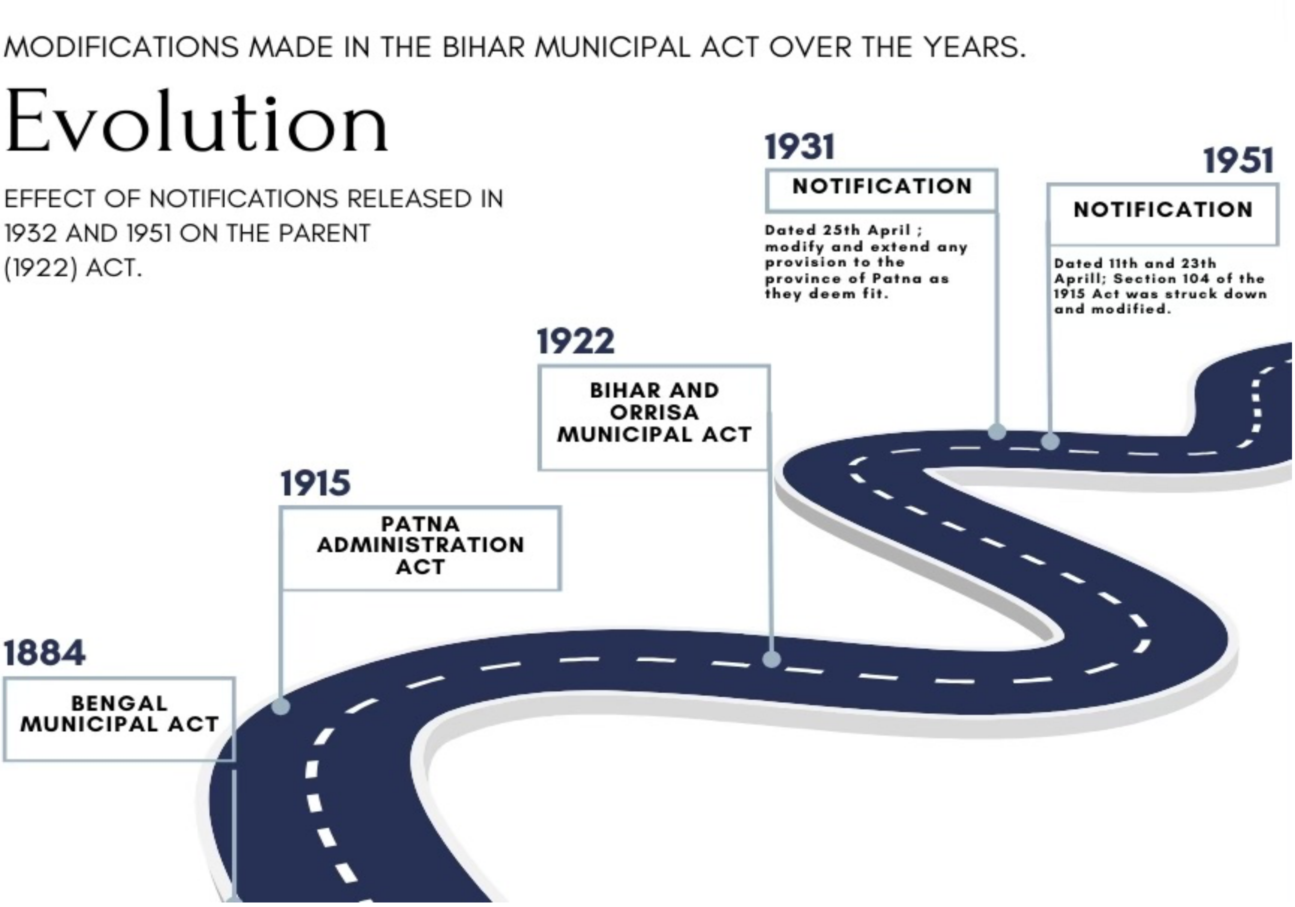
[2] Pg 3. Of Rajnarain Singh V. Chairman of Patna Administration, 1954 AIR 569.

[3] Notification dated 25th April 1931 expressed that by the means of this announcement, the Governments of Bihar and Orissa expressed their approval with the decision to extend to Patna the provisions of the Bihar and Orissa Municipal Act in accordance with the specification that was included in the notification and in the modified form that was displayed within it. In addition, the aforementioned notification nullified all of the earlier notifications that had extended to Patna the provisions of the Bengal Municipal Act of 1884 and the Bihar and Orissa Municipal Act of 1922.

[4] Notification dated 25th April 1951, A further notification was issued by the Government of Bihar in order to exercise the power that was granted to it by Clause (f) of Sub-section (1) of Section 3 of the Patna Administration Act. This notification was in accordance with the Governor of Bihar's application to Patna Section 104 of the Bihar and Orissa Municipal Act (Act 7 of 1922).

the residents have raised this concern and called out the authorities power to seek justice and relief from the wrongfully imposed taxes.

To understand the evolution and modification brought on the Bengal Municipal Act of 1884, a timeline has been attached to understand the release of the notification more easily.



Issue

The main issue that arises in the domain of Administrative law is of the question -

- that whether the extent of delegated legislation is valid or invalid ?
- Whether the original intention of the parent Act was undermined by the release of the notification that curbed the right of those affected to voice their opinion.
- Was the notification considered supra vires due to the delegation of legislative functions?

Rule

It is necessary to study the objective of the act and provisions in question to determine the validity and stance of the issues in contention. Henceforth, the essential provisions being assessed to reach the conclusion are as follows –

- Section 3 (1) (f) of the Patna Administration Act 1915 – authorizes Local Government to "extend to Patna the provisions of any section of the Act" (the Bengal Municipal Act of 1884) " subject to such restrictions and modifications as the Local Government may think fit."[5]

- Section 5 of the same act authorizes the local administrative government (executive) to cancel or modify any order or notification given under Section 3 of the Act.

- It is essential to understand the object and element of the whole Patna Administration Act which was to enable the citizens to voice their concerns against and before any provision related to imposing a tax could be imposed on a locality. However, the sections that provided a chance to raise an objection were omitted from the notification.

- Apart from the essential provisions needed to study the case, the rule of law that applies to the case comes from a precedent of cases and a principle established through it. The principle applied here is called "restrain on delegation of powers in India" which essentially means that the subordinate upon which a power to expand and exercise has been conferred by the authoritative or here (parent Act) is expected to act within the four corners of its delegation.

Judgement

The decision of the case is stemmed out from the roots of an essential precedent case, the In Re Delhi Laws Act[6]. The case revolves around the question of the power to modify and alter the provision of the act being liberal or within the domain of delegated legislation, the precedent case Delhi Laws Act serves as the best anecdote as it helps the judges to come to a conclusion and follow a process of demarcating whether the Act in the question, here notifications are ultra vires or intra vires to the Parent Act. The case was first brought up in the Delhi high court

[5] Rajnarain Singh v. Patna Administration Committee, (1954) 2 SCC 82
[6] Delhi Laws Act, 1912, In Re, 1951 SCC 568

where the judges let the Delhi Laws case become a well-established precedent and concluded with the same majority view that the notifications were not held ultra vires as "it did not offend against the principle of delegative legislation"[7]. The judgement also clarified that even though delegated legislation is valid, it cannot delegate upon the subordinate authority, essential legislative functions which is inclusive of the power to modify the policy of the Act. The Delhi high court thereafter quashed the grounds to initiate a case and did not consider the notifications to be ultra vires.

However, the case when brought up in the Hon'ble Supreme Court in 1954, overruled the High Court's judgement and was successful in acknowledging that the notifications dated 1931 and 1951 delegated essential legislative functions which thus stood ultra vires. After a conflicting discussion between Kania C.J. Mahajan J., Das J., Patanjali J., Fazl Ali J. on whether the power to modify the act and extend it to a specific part of Patna is an essential legislative function or not, the court finally recognized that the most essential feature of the 1922 Act was "that no municipality with the authority to impose taxes should be imposed on a region without allowing its residents the opportunity to voice their opinions and raise objections. Sections 4, 5, and 6 provide a legal assurance to such effect. Consequently, the Local Government is legally obligated by the Act to actively listen to complaints and give them due attention prior to making a decision."[8] which was therefore repealed and modified by the notification dated 23th April 1951 metamorphized the element of the Act. The delegation went so far as to authorize an executive authority (Patna Administration Act) to make changes to the statute that was made; delegation of legislative tasks can be made to executive authorities within specified boundaries. The Hon'ble Supreme Court also clarified that any modifications are permissible as long as the legislative policy of the Act is not violated and if the modifications are made in a style which amount to amendments, they shall be struck down as the power to modify the element of the act cannot be delegated upon the subordinate authority.

Analysis

The judgement is decided in the pre-constitutional era which is why the reasoning to the case is derived from the precedent case of The In Re Delhi Laws Act which established a principle that the power to modify the rules or provision of an Act can be held intra vires if it is done

[7] AIR1953PAT117.

[8] Rajnarain Singh v. Patna Administration Committee, (1954) 2 SCC 82

within the parameters of its delegated power. The principle of delegated legislation was established pre-Independence via cases like Queen V. Burah and R V. Birah where it was unclear whether the legislation of India would follow a resolute application of the system or partial or conditional legislation.[9] This however was clarified when the principle was laid down in the Delhi laws act, allowing the executive to exercise delegate rights to the extent that it does not take the power to exercise essential legislative rights in the legislation. Further, the case at hand (Rajnarain Singh V. Chairman of Patna Administration) also limit this right to the extent that it does not surpass the intent of the act and does not mingle with the essential components of the same.

The power dichotomy between the executive and the legislature is also seen between the powers of the President V. The Governor. The Governor is often liberalized with powers as compared to the President and the case at hand becomes an epitome of explanation of the same. The inability of the Delhi High Court to critically assess the notifications in the case shows how the judiciary takes part in liberalizing and validating the executives' powers over the legislature. The court overlooked to declare the notification that stipulated the right of the citizens to voice their concern over implication of tax, ultra-virus to Article 19 (1) (a), which confers on individuals the right to express their views and voice their concerns freely. Even though the notification regarding the same was declared ultra-virus, the reasoning given by the court was related to delegated legislation, a principle of administration law where the delegated authority went outside the circumference of powers and meddled with the objective of the Act. The delegated legislation (Act of 1922) empowered the Governor to apply and modify the provisions of the Act and extend it to the province of Patna as per what they deem to seem fit. This ripped the citizens of the right to voice their concerns and object against any provision which levy taxes on a reginal community. The court thereafter laid the foundation of controlled delegated legislation and limited its scope to an extent where the subordinate does not intrude the essential legislative functions.

The same was established in the case of Bhushan Lal V. State[10], where a specific section was held ultra vires to the parent act and the principle of controlled delegated legislation was applied. The concept of delegated legislation however acts as an agent principal relation where the agent is expected to act as per the instructions of the principal and not exceed its powers.

[9] Chhavi Aggarwal; In Re Delhi Laws Act : Landmark in concept of delegated legislation in India, Manupatra.
[10] Bhushan Lal V. State AIR1952ALL866.

Any delegated law must be consistent with the parent act and should not go against pertinent legislative policies, as established in the case of Indian Oil Corporation v. Municipal Corporation[11]. Henceforth, the supreme court judges outdid the high court reasoning and established a precedent for futuristic application as well. It was necessary for the courts to address the power to modify and apply a statue with respect to delegated legislation and with the help of the case Baburam Jagdish Kumar & Co. V. State of Punjab[12] and Rajnarain Singh V. Chairman of Patna Administration[13], it successfully established that every modification that had a bearing on the fundamental characteristics and the legislative policy of the Act will be declared unconstitutional and declared to be void.[14]

Conclusion

To the end of the paper, we have essentially studied the concept of delegated legislation and the modification of the same on the anvil of essential legislative functions. Any power delegated upon the subordinate authority shall always be restricted to an extent and is expected to not be breached or exercised over its limited jurisdiction. Even though the case at hand, shows that the central government had the power to choose, extend and apply specific desirable provisions on any region or municipality it can do so being in the vicinity of obvious limitation. The scope of any delegated or conferred power is only applicable until it negates or alters the main object and element of the act. Nothing can fetter with the essential element of the legislature, which awards it the power and authority to regulate and establish the laws. The case, Rajnarain V. Chairman of Patna Administration perfectly shows how the distribution of powers can be misleading for the judiciary to decide the wise and vice. The critique of administrative principle of delegative legislation with respect to the case at hand is thus conditional and boxed.

---

[11] 1997IAD(DELHI)503

[12] Baburam Jagdish Kumar & Co V. State of Punjab, (1979) 3 SCC 616: AIR 1979 SC 1475, para 34 p. 1484.

[13] Rajnarain Singh v. Patna Administration Committee, (1954) 2 SCC 82

[14] Ibid; M.P Jain, Principles of Administration Law (Lexis Nexis 2021) 74-75.