Raghunath Rai Bareja And Another vs Punjab National Bank And Others on 6 December, 2006

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Bench: S. B. Sinha, Markandey Katju

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           CASE NO.:
Appeal (civil)  5634 of 2006

PETITIONER:
Raghunath Rai Bareja and another

RESPONDENT:
Punjab National Bank and others

DATE OF JUDGMENT: 06/12/2006

BENCH:
S. B. Sinha & Markandey Katju

JUDGMENT:
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J U D G M E N T (Arising out of Special Leave Petition(Civil) Nos. 22058-22059/2005) MARKANDEY KATJU, J.

Leave granted.

This appeal has been filed against the impugned judgment and order dated 26.5.2005 of the Punjab & Haryana High Court in Execution Petition No. 1-L of 1999 by which the execution proceeding was transferred to the Debt Recovery Tribunal, Chandigarh (hereinafter referred to as the 'Tribunal'), for being disposed of in accordance with law.

Heard learned counsel for the parties and perused the record.

The facts of the case are that on a Company Petition No. 57 of 1983 M/s. S.P. Nagrath & Co. vs. M/s. Bareja Knipping Fasteners Ltd., the High Court vide order dated 23.10.1983 ordered winding

up of the Company and an Official Liquidator was appointed who took over possession of the properties of the Company.

The respondent-Bank filed a Suit (Company Petition No. 46 of 1984) for recovery of Rs. 14,53,577/- with pendente lite and future interest.

A preliminary decree for recovery of Rs. 19,07,800/- with future interest @ 12% per annum was passed by the High Court in favour of the decree-holder Bank, the respondent herein, on 2.12.1985 in Company Petition No. 46 of 1984.

Ultimately, a decree was passed in favour of the Bank on 15.1.1987 in Company Application No. 115 of 1986.

The aforesaid final decree dated 15.1.1987 stated as under:

> "It is hereby ordered and decreed that the mortgaged/pledged/hypothecated properties in the aforesaid preliminary decree mentioned or sufficient part thereof be sold, and that for the purpose of such sale the plaintiff/petitioner shall produce before the Court or such officer as appointed, all documents in his possession or power relating to the mortgage properties.
>
> And it is hereby ordered and decreed that the money realized by such sale shall be paid in the Court and shall be duly applied (after deduction therefrom of expenses of the sale) in the payment of the amount payable to the plaintiff/petitioner under aforesaid preliminary decree and under any further orders that may have been passed in this petition and in payment of any amount which the Court may have adjudged due to the plaintiff/petitioner for such costs of the petition including costs of this application and such costs, charges and expenses as may be payable under Rule 10 together with such subsequent interest as may be payable under Rule 11 of Order XXXIV of the first Schedule to Code of Civil Procedure, 1908 and that the balance, if any, shall be paid to the defendants/respondents or other persons entitled to receive the same."

Under Article 136 to the Schedule of the Limitation Act, 1963 the period for applying for execution of any decree is 12 years from the date when the decree becomes enforceable. Since in the present case the final decree was passed and became enforceable on 15.1.1987, the period of limitation for filing an execution application expired on 15.1.1999.

In the present case, the Bank filed three Execution Petitions. The first one, being Execution Petition No. 14-L of 1987, was dismissed on 8.11.1990 by the following order:

> "No list of the property sought to be attached has been filed. This application is dismissed. The petitioner may, however, file a fresh execution application in accordance with law."

It appears that a second Execution Petition thereafter was filed in 1994 being Execution Petition No. 3-L of 1994 by which the decree holder bank sought attachment and sale of properties which did not belong to the judgment debtors. After contest by the objectors, this second Execution Petition was dismissed by a Learned Single Judge of the High Court on 18.8.1994 holding that the decree passed against the Company cannot be satisfied by attachment and sale of properties belonging to other Companies, as these other Companies are different and distinct juristic personalities with different set of shareholders.

Thereafter on 4.9.1998, the respondent-bank filed another Company Petition No. 236 of 1998 under Section 446 of the Companies Act, 1956 read with Rule 117 of the Companies (Court) Rules, 1959 seeking leave of the Company Court to commence the Execution proceedings before the Tribunal which had come into existence in 1993 under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (hereinafter referred to as 'RDB Act'). That petition was allowed by the Company Court vide order dated 18.12.1998 stating "Learned counsel for the parties are agreed that petitioner be granted leave to file execution petition in this Court."

The decree-holder Bank (respondent in this appeal), then filed a third Execution Petition No. 1 of 1999 dated 11.01.1999 against M/s. Bareja Knipping Fasteners Limited through the Official Liquidator, without impleading the appellants and Shri K.M.Bareja as parties to the Execution Petition. On this third Execution Petition, the High Court on 1.4.1999 passed the following order:

> "Nobody is present on behalf of the petitioner. Counsel for the Official Liquidator submits that the decree has already been executed against the assets and properties of the Company. He further submits that no assets of the Company, moveable or immoveable, are available with the Official Liquidator. As such, there can be hardly any execution against the Company.
>
> Petition stands disposed of. Liberty to file proper petition against the other judgment debtors in accordance with law is granted as they have not been impleaded as parties in the Memo of Parties either of the execution petition of that of the application."

Thereafter, on 7.4.1999, the Bank instead of filing a petition as directed by the High Court, filed Company Application No. 173 of 1999 for restoration of the Execution Petition No. 1 of 1999 along with a fresh Memo of Parties before the High Court. The High Court issued notice on this Application and then on 22.7.1999 recalled the order dated 1.4.1999.

On 3.1.2005, the decree-holder Bank filed Company Application No. 55 of 2005 under Rule 9 of the Company (Court) Rules, 1959 read with Sections 17 and 18 of RDB Act for transfer of the Execution Petition to the Tribunal. The appellant filed a reply stating that the High Court has no jurisdiction to entertain this Application. However by the impugned order dated 26.5.2005 the High Court transferred the Execution Petition pending before it to the Debt Recovery Tribunal, Chandigarh.

In the aforesaid order dated 26.5.2005, the High Court observed:

"No doubt, procedure for transfer of execution proceedings as mentioned in the RDB Act is applicable only with regard to proceedings pending on the relevant dated i.e. 24.6.1993 and there is no provision for transfer of application filed after the said date. There is, however, order dated 18.12.1998 on record whereby the parties consented that the petitioner may be allowed to file execution petition in this Court. In view of judgment of the Apex Court in Allahabad Bank (supra), this Court has no jurisdiction to deal with the application for execution. The question is whether in exercise of inherent jurisdiction of this Court, execution petition could be transferred to the Debt Recovery Tribunal, Chandigarh, as prayed for by the decree-holder.

Inherent powers of the Court are in addition to the powers specifically conferred. The same can be exercised for advancing ends of justice, subject to the condition that exercise of such powers is not in conflict with express provisions of the statute. Learned counsel for the judgment-debtor is unable to show any decision or principle as to why inherent power cannot be invoked in the present case, to achieve the ends of justice. There is no express or implied provision against exercise of such a power, in a situation which has arisen in the present case.

Accordingly, C.A. No. 55 of 2005 is allowed and execution proceedings are transferred to the Debt Recovery Tribunal, Chandigarh for being disposed of in accordance with law. Learned counsel for the decree-holder has made a statement that he wishes to proceed against the guarantors in execution proceedings. C.A. No. 415 of 1999 seeking dismissal of execution application, is accordingly, dismissed."

Learned counsel for the appellant submitted that the aforesaid order was wholly without jurisdiction.

Learned counsel for the appellant has invited our attention to Sections 17, 18, 24 and 31of the RDB Act. These provisions are as follows:

"17. Jurisdiction, powers and authority of Tribunals. (1) A Tribunal shall exercise, on and from the appointed day, the jurisdiction, powers and authority to entertain and decide applications from the banks and financial institutions for recovery of debts due to such banks and financial institutions.

(2) An Appellate Tribunal shall exercise, on and from the appointed day, the jurisdiction, powers and authority to entertain appeals against any order made, or deemed to have been made, by a Tribunal under this Act.

18. Bar of jurisdiction. On and from the appointed day, no Court or other authority shall have, or be entitled to exercise, any jurisdiction, powers or authority (except the Supreme Court, and a High Court exercising jurisdiction under Arts. 226 and 227 of the Constitution) in relation to the matters specified in Section 17.

24. Limitation. The provisions of the Limitation Act, 1963, shall, as far as may be, apply to an application made to a Tribunal.

31. Transfer of pending cases. (1) Every suit or other proceeding pending before any court immediately before the date of establishment of a Tribunal under this Act, being a suit or proceeding the cause of action whereon it is based is such that it would have been, if it had arisen after such establishment, within the jurisdiction of such Tribunal, shall stand transferred on that date to such Tribunal.

Provided that nothing in this sub-section shall apply to any appeal pending as aforesaid before any Court.

(2) Where any suit or other proceeding stands transferred from any court to a Tribunal under sub-section (1), -

(a) the court shall, as soon as may be after such transfer, forward the records of such suit or other proceeding to the Tribunal; and

(b) the Tribunal may, on receipt of such records, proceed to deal with such suit or other proceeding, so far as may be, in the same manner as in the case of an application made under section 19 from the stage which was reached before such transfer or from any earlier stage or de novo as the Tribunal may deem fit."

Admittedly, the Debt Recovery Tribunal, Chandigarh was established in 1993 and hence after 1993 the exclusive jurisdiction regarding recovery of debts pertaining to which the RDB Act applies is with the Tribunal.

In our opinion, the impugned order of the High Court dated 26.5.2005, transferring the Execution Petition pending before it to the Debt Recovery Tribunal, Chandigarh was clearly beyond the scope of Section 31 of the RDB Act because Section 31 states that only suits or other proceeding pending before the Court immediately before the establishment of the Tribunal under the Act, stand transferred to the Tribunal. Since, admittedly the Tribunal in the present case, had been established in 1993, and no proceeding was pending before it on the date when it was established, no transfer could take place under Section 31 of the RDB Act. At any event, the third Execution Petition which was transferred by the impugned order was filed by the respondent-Bank on 11.1.1999, i.e. much after the Tribunal had been established. Hence obviously there could be no such transfer to the Tribunal under Section 31 of the RDB Act. Apart from Section 31, there is no other provision for transferring a suit or other proceeding pending before any Court to the Tribunal. Hence, the impugned order dated 26.5.2005 was clearly illegal and without jurisdiction.

In this connection learned counsel for the appellant has relied on the decision of this Court in Allahabad Bank vs. Canara Bank & Anr. 2000(4) SCC 406. In the aforesaid decision this Court observed that the word `proceedings' in Section 31 of the RDB Act includes `execution proceedings' pending before a civil court before the commencement of the Act. In para 50 of the aforesaid

decision this Court observed that the RDB Act, 1993 confers exclusive jurisdiction on the Debt Recovery Tribunal both at the stage of adjudication of the claim under Section 17 of the Act as well as execution of the claim. The Court observed that the provisions of the RDB Act, 1993 are to an extent inconsistent with the provisions of the Companies Act, 1956, and the latter Act has to yield to the provisions of the former. This position holds good during the pendency of the winding-up petition against the debtor company and also after a winding-up order is passed. The Court further held that no leave of the Company Court is necessary under Section 446 of the Companies Act, 1956 for initiating or continuing the proceedings under the RDB Act, 1993.

In the aforesaid decision this Court also upheld the view of some of the High Courts that the Company Act is a general statute, and hence the RDB Act which is a special Act, overrides the general statute. At any event, in view of Section 34 of the RDB Act, the said Act will prevail to the extent of inconsistency over the Companies Act.

Since in the aforesaid decision this Court has held that even with regard to execution the jurisdiction under the RDB Act is exclusive, we cannot agree with the view taken by the High Court merely because the appellant had given his consent to the transfer of the Execution Petition to the Tribunal. It is well settled in law that consent cannot confer jurisdiction.

In Allahabad Bank vs. Canara Bank & Anr.(supra) (vide para 23) this Court observed :

> ."In our opinion, the prescription of an exclusive Tribunal both for adjudication and execution is a procedure clearly inconsistent with realization of these debts in any other manner."
>
> Since Section 24 of the RDB Act applies the provisions of the Limitation Act, 1963, to applications filed before the Tribunal, and since Article 136 of the Limitation Act provides a period of limitation of 12 years for filing an Execution Petition, hence now no such application can be filed since that period of 12 years expired on 15.1.1999. Hence, in our opinion the debt became time barred after 15.1.1999.
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> Learned counsel for the respondent-Bank relied on Section 446(1) of the Companies Act which states that when a winding-up order is passed or the official liquidator is appointed as a provisional liquidator, no suit or other legal proceeding shall be commenced, or if pending at the date of the winding-up order, shall be proceeded with against the company, except by leave of the court and subject to such terms as the court may impose.
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> Learned counsel for respondent-Bank relied on Sub-section (3) of Section 446 of the Companies Act, 1956, which states :
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> "(3) Any suit or proceeding by or against the company which is pending in any Court other than that in which the winding up of the company is proceeding may, notwithstanding anything contained in any other law for the time being in force, be

transferred to and disposed of by that Court."

In this connection, it may be mentioned that Section 446(3) of the Companies Act was omitted by Companies (Second Amendment) Act, 2002 and evidently the High Court has overlooked this Amendment. As a result in our opinion the High Court has no power to transfer the Execution Petition to the Debts Recovery Tribunal. At any event as held in Allahabad Bank vs. Canara Bank & Anr.(supra), Section 446 has no application once the RDB Act applies because Section 34 expressly gives overriding effect to the provisions of the RDB Act. Also, the RDB Act is a special law and hence will prevail over the general law in the Companies Act as held in Allahabad Bank vs. Canara Bank & Anr.(supra).

In this connection, we may mention that in the impugned order dated 26.5.2005 the High Court has, while admitting that in view of the decision of this Court in Allahabad Bank vs. Canara Bank & Anr.(supra), it had no jurisdiction to deal with the execution application, it has, however, in the same order relied on the so called "inherent powers" of the Court. In our opinion there are no such inherent powers of the Court of transferring the Execution Proceedings to the Debt Recovery Tribunal, Chandigarh. Whatever powers there are of transfer of proceedings to the Tribunal are contained in Section 31 of the RDB Act, and no transfer is permissible de hors Section 31. Hence, we respectfully disagree with the High Court that it has inherent powers apart from Section 31 for transferring the Execution Petition to the Debt Recovery Tribunal.

Learned counsel for the respondent-Bank submitted that it will be very unfair if the appellant who is a guarantor of the loan, and director of the Company which took the loan, avoids paying the debt. While we fully agree with the learned counsel that equity is wholly in favour of the respondent-Bank, since obviously a Bank should be allowed to recover its debts, we must, however, state that it is well settled that when there is a conflict between law and equity, it is the law which has to prevail, in accordance with the Latin maxim 'dura lex sed lex', which means 'the law is hard, but it is the law'. Equity can only supplement the law, but it cannot supplant or override it.

Thus, in Madamanchi Ramappa & Anr. vs. Muthaluru Bojjappa AIR 1963 SC 1633 (vide para 12) this Court observed :

> " what is administered in Courts is justice according to law, and considerations of fair play and equity however important they may be, must yield to clear and express provisions of the law." ..
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> In Council for Indian School Certificate Examination vs. Isha Mittal & Anr. 2000(7) SCC 521 (vide para 4) this Court observed :
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> " Considerations of equity cannot prevail and do not permit a High Court to pass an order contrary to the law."

Similarly in P.M. Latha & Anr. vs. State of Kerala & Ors. 2003(3) SCC 541 (vide para 13) this Court observed :

"Equity and law are twin brothers and law should be applied and interpreted equitably, but equity cannot override written or settled law." ..

In Laxminarayan R. Bhattad & Ors. vs. State of Maharashtra & Anr. 2003(5) SCC 413 (vide para 73) this Court observed :

"It is now well settled that when there is a conflict between law and equity the former shall prevail." ..

Similarly in Nasiruddin & Ors. vs. Sita Ram Agarwal 2003(2) SCC 577 (vide para 35) this Court observed :

"In a case where the statutory provision is plain and unambiguous, the court shall not interpret the same in a different manner, only because of harsh consequences arising therefrom." ..

Similarly in E. Palanisamy vs. Palanisamy (Dead) by Lrs. & Ors. 2003(1) SCC 123 (vide para 5) this Court observed :

" Equitable considerations have no place where the statute contained express provisions." ..

In India House vs. Kishan N. Lalwani 2003(9) SCC 393 (vide para

7) this Court held that :

" The period of limitation statutorily prescribed has to be strictly adhered to and cannot be relaxed or departed from by equitable considerations." ..

(emphasis supplied) In the present case, while equity is in favour of the respondent-Bank, the law is in favour of the appellant, since we are of the opinion that the impugned order of the High Court is clearly in violation of Section 31 of the RDB Act, and moreover the claim is time-barred in view of Article 136 of the Limitation Act read with Section 24 of the RDB Act. We cannot but comment that it is the Bank itself which is to blame because after its first Execution Petition was dismissed on 23.8.1990 it should have immediately thereafter filed a second Execution Petition, but instead it filed the second Execution Petition only in 1994 which was dismissed on 18.8.1994. Thereafter, again, the Bank waited for 5 years and it was only on 1.4.1999 that it filed its third Execution Petition. We fail to understand why the Bank waited from 1990 to 1994 and again from 1994 to 1999 in filing its Execution Petitions. Hence, it is the Bank which is responsible for not getting the decree executed well in time.

> Learned counsel for the respondent-Bank then submitted that a purposive interpretation should be put on Section 31 of the RDB Act so that the bank can recover its dues. He relied on the decisions of this Court in Hindustan Lever Ltd. vs. Ashok Vishnu Kate and others 1995 (6) SCC 326 (vide para 41 & 42), Administrator, Municipal Corporation, Bilaspur vs. Dattatraya Dahankar and another 1992 (1) SCC 361 (vide para 4), Directorate of Enforcement vs. Deepak Mahajan and another 1994 (3) SCC 440 (vide para 31), etc. We are afraid we cannot accept this contention. In fact, in Allahabad Bank vs. Canara Bank (supra), the argument that a purposive interpretation should be put on the provisions of the RDB Act has been specifically rejected (vide para 34).
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> In M/s. Hiralal Ratanlal vs. STO, AIR 1973 SC 1034, this Court observed:
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> "In construing a statutory provision the first and foremost rule of construction is the literary construction. All that the Court has to see at the very outset is what does the provision say. If the provision is unambiguous and if from the provision the legislative intent is clear, the Court need not call into aid the other rules of construction of statutes. The other rules of construction are called into aid only when the legislative intent is not clear."

(emphasis supplied) It may be mentioned in this connection that the first and foremost principle of interpretation of a statute in every system of interpretation is the literal rule of interpretation. The other rules of interpretation e.g. the mischief rule, purposive interpretation etc. can only be resorted to when the plain words of a statute are ambiguous or lead to no intelligible results or if read literally would nullify the very object of the statute. Where the words of a statute are absolutely clear and unambiguous, recourse cannot be had to the principles of interpretation other than the literal rule, vide Swedish Match AB vs. Securities and Exchange Board, India, AIR 2004 SC 4219. As held in Prakash Nath Khanna vs. C.I.T. 2004 (9) SCC 686, the language employed in a statute is the determinative factor of the legislative intent. The legislature is presumed to have made no mistake. The presumption is that it intended to say what it has said. Assuming there is a defect or an omission in the words used by the legislature, the Court cannot correct or make up the deficiency, especially when a literal reading thereof produces an intelligible result, vide Delhi Financial Corporation vs. Rajiv Anand 2004 (11) SCC 625. Where the legislative intent is clear from the language, the Court should give effect to it, vide Government of Andhra Pradesh vs. Road Rollers Owners Welfare Association 2004(6) SCC 210, and the Court should not seek to amend the law in the grab of interpretation.

As stated by Justice Frankfurter of the U.S. Supreme Court (see 'Of Law & Men : Papers and Addresses of Felix Frankfurter') :

> "Even within their area of choice the courts are not at large. They are confined by the nature and scope of the judicial function in its particular exercise in the field of interpretation. They are under the constraints imposed by the judicial function in our democratic society. As a matter of verbal recognition certainly, no one will gainsay

> that the function in construing a stature is to ascertain the meaning of words used by the legislature. To go beyond it is to usurp a power which our democracy has lodged in its elected legislature. The great judges have constantly admonished their brethren of the need for discipline in observing the limitations. A judge must not rewrite a statute, neither to enlarge nor to contract it. Whatever temptations the statesmanship of policy-making might wisely suggest, construction must eschew interpolation and evisceration. He must not read in by way of creation. He must not read out except to avoid patent nonsense or internal contradiction."

As observed by Lord Granworth in Grundy v. Pinniger, (1852) 1 LJ Ch 405:

> " 'To adhere as closely as possible to the literal meaning of the words used, is a cardinal rule from which if we depart we launch into a sea of difficulties which it is not easy to fathom."

In other words, once we depart from the literal rule, then any number of interpretations can be put to a statutory provision, each Judge having a free play to put his own interpretation as he likes. This would be destructive of judicial discipline, and also the basic principle in a democracy that it is not for the Judge to legislate as that is the task of the elected representatives of the people. Even if the literal interpretation results in hardship or inconvenience, it has to be followed (see G.P. Singh's Principles of Statutory Interpretations, 9th Edn. pp 45-49). Hence departure from the literal rule should only be done in very rare cases, and ordinarily there should be judicial restraint in this connection.

As the Privy Council observed (per Viscount Simonds, L.C.):

> "Again and again, this Board has insisted that in construing enacted words we are not concerned with the policy involved or with the results, injurious or otherwise, which may follow from giving effect to the language used."(see Emperor v. Benoarilal Sarma, AIR 1945 PC 48, pg. 53).
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> As observed by this Court in CIT vs. Keshab Chandra Mandal, AIR 1950 SC 265:
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> "Hardship or inconvenience cannot alter the meaning of the language employed by the Legislature if such meaning is clear on the face of the statute".

The rules of interpretation other than the literal rule would come into play only if there is any doubt with regard to the express language used or if the plain meaning would lead to an absurdity. Where the words are unequivocal, there is no scope for importing any rule of interpretation vide Pandian Chemicals Ltd. vs. C.I.T. 2003(5) SCC 590.

It is only where the provisions of a statute are ambiguous that the Court can depart from a literal or strict construction vide Narsiruddin vs. Sita Ram Agarwal AIR 2003 SC 1543. Where the words of a statute are plain and unambiguous effect must be given to them vide Bhaiji vs. Sub- Divisional

Officer, Thandla 2003(1) SCC 692.

No doubt in some exceptional cases departure can be made from the literal rule of the interpretation, e.g. by adopting a purposive construction, Heydon's mischief rule, etc. but that should only be done in very exceptional cases. Ordinarily it is not proper for the Court to depart from the literal rule as that would really be amending the law in the garb of interpretation, which is not permissible vide J.P. Bansal vs. State of Rajasthan & Anr. AIR 2003 SC 1405, State of Jharkhand & Anr. vs. Govind Singh JT 2004(10) SC 349 etc.. It is for the legislature to amend the law and not the Court vide State of Jharkhand & Anr. vs. Govind Singh JT 2004(10) SC 349. In Jinia Keotin vs. K.S. Manjhi, 2003 (1) SCC 730, this Court observed :

> " The Court cannot legislate .under the grab of interpretation ".

Hence there should be judicial restraint in this connection, and the temptation to do judicial legislation should be eschewed by the Courts. In fact, judicial legislation is an oxymoron.

In Shiv Shakti Co-operative Housing Society vs. Swaraj Developers AIR 2003 SC 2434, this Court observed:

> "It is a well settled principle in law that the Court cannot read anything into a statutory provision which is plain and unambiguous. A statute is an edict of the legislature. The language employed in a statute is the determinative factor of legislative intent."

In our opinion, Section 31 is plain and unambiguous and it clearly says that only those suits or proceedings pending before a Court shall stand transferred to the Tribunal which were pending on the date when the Tribunal was established.

The learned counsel for the respondent submitted that we have to see the legislative intent when we interpret Section 31. In our opinion, resort can be had to the legislative intent for the purpose of interpreting a provision of law when the language employed by the legislature is doubtful or ambiguous or leads to some absurdity. However, when the language is plain and explicit and does not admit of any doubt, the Court cannot by reference to an assumed legislative intent expand or alter the plain meaning of an expression employed by the legislature vide Ombalika Das vs. Hulisa Shaw, 2002 (4) SCC 539.

Where the language is clear, the intention of the legislature has to be gathered from the language used vide Grasim Industries Limited vs. Collector of Customs 2002 (4) SCC 297 and Union of India vs. Hamsoli Devi 2002 (7) SCC 273.

In Union of India and another vs. Hansoli Devi and others 2002(7) SCC (vide para 9), this Court observed :

> "It is a cardinal principle of construction of a statute that when the language of the statute is plain and unambiguous, then the court must give effect to the words used in the statute and it would not be open to the courts to adopt a hypothetical construction on the grounds that such construction is more consistent with the alleged object and policy of the Act."

The function of the Court is only to expound the law and not to legislate vide District Mining Officer vs. Tata Iron and Steel Company 2002 (7) SCC 358. If we accept the interpretation canvassed by the learned counsel for the respondent we will really be legislating because in the guise of interpretation we will be really amending Section 31.

In Gurudevdatta VKSSS Maryadit vs. State of Maharashtra AIR 2001 SC 1980, this Court observed :

> "It is a cardinal principle of interpretation of statute that the words of a statute must be understood in their natural, ordinary or popular sense and construed according to their grammatical meaning, unless such construction leads to some absurdity or unless there is something in the context or in the object of the statute to suggest to the contrary. The golden rule is that the words of a statute must prima facie be given their ordinary meaning. It is yet another rule of construction that when the words of the statute are clear, plain and unambiguous, then the Courts are bound to give effect to that meaning, irrespective of the consequences. It is said that the words themselves best declare the intention of the law-giver. The Courts are adhered to the principle that efforts should be made to give meaning to each and every word used by the legislature and it is not a sound principle of construction to brush aside words in a statute as being inapposite surpluses, if they can have a proper application in circumstances conceivable within the contemplation of the statute".

The same view has been taken by this Court in S. Mehta vs. State of Maharashtra 2001 (8) SCC 257 (vide para 34) and Patangrao Kaddam vs. Prithviraj Sajirao Yadav Deshmugh AIR 2001 SC 1121.

The literal rule of interpretation really means that there should be no interpretation. In other words, we should read the statute as it is, without distorting or twisting its language.

We may mention here that the literal rule of interpretation is not only followed by Judges and lawyers, but it is also followed by the lay man in his ordinary life. To give an illustration, if a person says "this is a pencil", then he means that it is a pencil; and it is not that when he says that the object is a pencil, he means that it is a horse, donkey or an elephant. In other words, the literal rule of interpretation simply means that we mean what we say and we say what we mean. If we do not follow the literal rule of interpretation, social life will become impossible, and we will not understand each other. If we say that a certain object is a book, then we mean it is a book. If we say it is a book, but we mean it is a horse, table or an elephant, then we will not be able to communicate with each other. Life will become impossible. Hence, the meaning of the literal rule of interpretation is simply that we mean what we say and we say what we mean.

In the present case, we are clearly of the opinion that the literal rule applies, and the other rules have no application to interpreting Section 31, since the language of Section 31 is plain and clear, and cannot be said to be ambiguous or resulting in some absurdity.

In view of the above, we are clearly of the opinion that the recovery in question is time-barred and it is hereby quashed. The impugned order of the High Court is set aside. The appeals are accordingly allowed. No costs.