Lesson 5: Interpretation of Statutes

1. Interpretation- Meaning and Importance

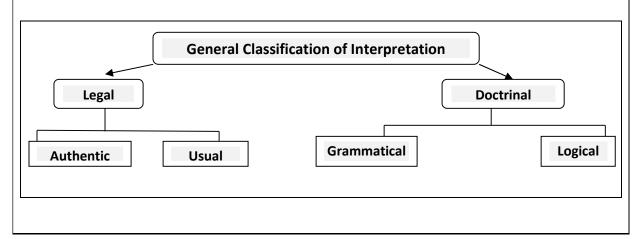
- Meaning:
 - ➤ "Interpretation" signifies expounding the meaning of abstruse words, writing etc., making out of their meaning, explaining, understanding them in a specified manner.
 - "Interpretation" is the process by which the real meaning of an Act (or a document) and the intention of the legislature in enacting it (or of the parties executing the document) is ascertained.

■ **Importance**:

- ➤ "Interpretation" is of the inherent nature of legislation as a source of law. The process of statute making and the process of interpretation of statutes take place separately from each other and two different agencies are concerned.
- ➤ The process of interpretation is more legalistic and makes more intensive use of the legal technique in statutory interpretation as contrasted with the application of common law rules.

2. General Classification of Interpretation

- Legal: It is 'legal' when there is an actual rule of law which binds the Judge to place a certain interpretation of the statute. 'Legal' interpretation is sub- divided into 'authentic' and 'usual'.
 - It is 'authentic' when rule of interpretation is derived from the legislator himself.
 - It is 'usual' when it comes from some other source such as custom or case law.
- Doctrinal: It is 'doctrinal' when its purpose is to discover 'real' and 'true' meaning of the statute. 'Doctrinal' interpretation may again be divided into two categories: 'grammatical' & 'logical'.
 - It is 'grammatical' when the court applies only the ordinary rules of speech for finding out the meaning of the words used in the statute.
 - When the court goes beyond the words and tries to discover the intention of the statute in some other way, then it is said resort to what is called a 'logical' interpretation.



3. Difference between Interpretation and Construction

- Interpretation differs from construction. Interpretation is of finding out the true sense of any form and the construction is the drawing of conclusion respecting subjects that lie beyond the direct expression of the text. [Bhagwati Prasad Kedia v. C.I.T,(2001)].
- It is the duty of the courts to give effect to the meaning of an Act when the meaning can be equitably gathered from the words used. Words of legal import occurring in a statute which have acquired a definite and precise sense, must be understood in that sense. (State of Madras v. Gannon Dunkerly Co. AIR 1958).
- Where the Court adheres to the plain meaning of the language used by the legislature, it would be 'interpretation' of the words but where the meaning is not plain, the court has to decide whether the wording was meant to cover the situation before the court.

4. RULES OF INTERPRETATION/ CONSTRUCTION

Overview

- Over a period, certain rules of interpretation/construction have come to be well recognized. However, these rules are considered as guides only and are not inflexible.
- These rules can be broadly classified as follows:
 - Primary Rules.
 - Secondary Rules.

Primary Rules

Rule of Literal Construction:

- It is the cardinal rule of construction that words, sentences and phrases of a statute should be read in their ordinary, natural and grammatical meaning so that they may have effect in their widest amplitude.
- The elementary rule of construction has to be borne in mind that words and
 phrases of technical nature are 'prima facie' used in their technical meaning,
 if they have any, and otherwise in their ordinary popular meaning..
- The meaning must be collected from the expressed intention of the legislature (State of U.P. v. Vijay Anand, AIR 1963 SC 946).
- A word which has a definite and clear meaning should be interpreted with that meaning only, irrespective of its consequences.
- Occasions may arise when a choice has to be made between two interpretations – one narrower and the other wider or bolder. In such

a situation, if the narrower interpretation would fail to achieve the manifest purpose of the legislation, one should rather adopt the wider one.

• Different headings for literal construction:

> Natural and grammatical meaning:

- Statute are to be first understood in their natural, ordinary, or popular sense and must be construed according to their plain, literal and grammatical meaning.
- If there is an inconsistency with any express intention or declared purpose of the statute, or it involves any absurdity, repugnancy, inconsistency, the grammatical sense must then be modified, extended or abridged only to avoid such an inconvenience, but no further.

[(State of HP v. Pawan Kumar (2005)].

> Explanation of the Rule:

- When it is said that words are to be understood first in their natural, ordinary or popular sense, it is meant that the words must be qualified that natural, ordinary or popular meaning which they have in relation to the subject matter with reference to which and the context in which they have been used in the statute.
- The meaning of a word depend upon its text and context. In the construction of statutes, the context means the statute as a whole and other statutes in pari materia (where two enactments have common purpose in an analogous case).

Exact meaning, leading to loose meaning:

 This is the another point regarding the rule of literal construction that exact meaning is preferred to loose meaning in an Act of Parliament. As every word has a secondary meaning too. Therefore, in applying this rule one should be careful not to mix up the secondary meaning with the loose meaning. Wherever the secondary meaning points to that meaning which statute meant, preference should be given to that secondary meaning.

Technical words in technical sense:

 This point of literal construction is that technical words are understood in the technical sense only.

Rule of Reasonable Construction:

- According to this Rule, the words of a statute must be construed 'ut res
 magis valeat quam pereat' meaning thereby that words of statute must be
 construed so as to lead to a sensible meaning.
- Generally the words or phrases of a statute are to be given their ordinary meaning. A statute must be construed in such a manner so as to make it effective and operative on the principle of "ut res magis valeat quam pereat".
- In interpreting law, two meanings are possible:
 - > one making the statute absolutely vague and
 - meaningless and other leading to certainty and a meaningful interpretation, in such case the later interpretation should be followed. (Pratap Singh v State of Jharkhand (2005)3 SCC 551).

Rule of Harmonious Construction:

- When there is doubt about the meaning of the words of a statute, these should be understood in the sense in which they harmonise with the subject of the enactment and the object which the legislature had in view. Their meaning is found not so much in a strictly grammatical or etymological propriety of language, nor even in its popular use, as in the subject or in the occasion on which they are used and the object to be attained.
- Where there are in an enactment two or more provisions which cannot be reconciled with each other, they should be so interpreted, wherever possible, as to give effect to all of them. This is what is known as the Rule of Harmonious Construction.

Rule of Beneficial Construction or the Heydon's Rule:

- Where the language used in a statute is capable of more than one interpretation, the most firmly established rule for construction is the principle laid down in the *Heydon's case*.
- The rule which is also known as 'purposive construction' or mischieve rule, enables consideration of four matters in construing an Act:
 - what was the law before the making of the Act;
 - what was the mischief or defect for which the law did not provide;
 - what is the remedy that the Act has provided; and
 - what is the reason for the remedy.
- The rule then directs that the courts must adopt that construction which 'shall suppress the mischief and advance the remedy.'

Rule of Exceptional Construction:

- The rule of exceptional construction stands for the elimination of statutes and words in a statute which defeat the real objective of the statute or make no sense.
- It also stands for construction of words 'and', 'or', 'may', 'shall' & 'must'.
- This rule has several aspects, viz.:

> The Common Sense Rule:

- Despite the general rule that full effect must be given to every word, if no sensible meaning can be fixed to a word or phrase, or if it would defeat the real object of the enactment, it should be eliminated.
- The words of a statute must be so construed as to give a sensible meaning to them, if at all possible. They ought to be construed 'utres magis valeat quam pereat' meaning thereby that it is better for a thing to have effect than to be made void.

Conjunctive and Disjunctive Words 'or' 'and':

- The word 'or' is normally disjunctive and 'and' is normally conjunctive.
- However, at times they are read as vice versa to give effect to the manifest intention of the legislature as disclosed from the context. This would be so where the literal reading of the words produces an unintelligible or absurd result.

• In such a case 'and' may by read for 'or' and 'or' for 'and' even though the result of so modifying the words is less favourable to the subject, provided that the intention of the legislature is otherwise quite clear.

'May', 'must' and 'shall':

- Practically speaking, the distinction between a provision which is 'mandatory' and one which is 'directory' is that when it is mandatory, it must be strictly observed; when it is 'directory' it would be sufficient that it is substantially complied with.
- However, we have to look to the substance and not merely the form: an enactment in mandatory form might substantially be directory and, conversely, a statute in directory form may in substance be mandatory. Hence, it is the substance that counts and must take precedence over mere form. If a provision gives a power coupled with a duty, it is mandatory: whether it is or is not so would depend on such consideration as:
 - the nature of the thing empowered to be done,
 - the object for which it is done, and
 - the person for whose benefit the power is to be exercised.
- 'May': It is well settled that enabling words are construed as compulsory, wherever the object of the power is to give effect to a legal right: the use of the word 'may' in a statutory provision would not by itself show that the provision is directory in nature.
- 'Shall': The use of the word shall would not of itself make a provision of the act mandatory. It has to be construed with reference to the context in which it is used. Thus, as against the Government the word 'shall' when used in statutes is to be construed as 'may' unless a contrary intention is manifest. Hence, a provision in a criminal statute that the offender shall be punished as prescribed in the statute is not necessarily to be taken as against the Government to direct prosecution under that provision rather than under some other applicable statute.
- Word 'may' is often read as 'shall' or 'must' when there is something in the nature of the thing to be done, which makes it the duty of the person on whom the power is conferred to exercise the

power. No general rule can be laid down for deciding whether any particular provision in a statute is mandatory, meaning thereby that non-observance thereof involves the consequences of invalidity, or only directory, i.e. a discretion, non-observance of which does not entail the consequence of invalidity, whatever other consequences may occur.

Rule of Ejusdem Generis:

- The term 'ejusdem generis' means 'of the same kind or species'.
- Simply stated, the rule means:
 - Where any Act enumerates different subjects, general words following specific words are to be construed (and understood) with reference to the words that precede them.
 - Those general words are to be taken as applying to things of the same kind as the specific words previously mentioned, unless there is something to show that a wider sense was intended.
 - The rule of **ejusdem generis** means that where specific words are used and after those specific words, some general words are used, the general words would take their colour from the specific words used earlier.
- If the particular words used exhaust the whole genus (category), then the general words are to be construed as covering a larger genus.
- The general principle of 'ejusdem generis' applies only where the specific words are all the same nature. When they are of different categories, then the meaning of the general words following those specific words remains unaffected-those general words then would not take colour from the earlier specific words.

Secondary Rules

Effect of usage:

- A uniform notorious practice continued under an old statute and inaction
 of the Legislature to amend the same are important factors to show that
 the practice so followed was based on correct understanding of the law.
- When the usage or practice receives judicial or legislative approval it gains additional weight.
- In this connection, we have to bear in mind two Latin maxims:
 - 'Optima Legum interpres est consuetude' (the custom is the best interpreter of the law); and
 - 'Contempranea exposito est optima et fortissinia in lege' (the best way to interpret a document is to read it as it would have been read when made).
- Therefore, the best interpretation/construction of a statute or any other
 document is that which has been made by the contemporary authority.
 Simply stated, old statutes and documents should be interpreted as they
 would have been at the time when they were enacted/written.

Associated Words to be Understood in Common Sense Manner:

- When two words or expressions are coupled together one of which generally
 excludes the other, obviously the more general term is used in a meaning
 excluding the specific one.
- On the other hand, there is the concept of 'Noscitur A Sociis' ('it is known by
 its associates'), that is to say 'the meaning of a word is to be judged by the
 company it keeps'.
- It is a rule wider than the rule of ejusdem generis, rather <u>ejusdem generis is</u> only an application of the noscitur a sociis.
- It must be borne in mind that nocitur a sociis, merely a rule of construction
 and it cannot prevail in cases where it is clear that the wider words have been
 deliberately used in order to make the scope of the defined word
 correspondingly wider.

5. INTERNAL AIDS TO INTERPRETATION/ CONSTRUCTION

Internal Aids to Construction

Long Title:

- An enactment would have what is known as a 'Short Title' and also a 'Long Title'.
- The 'Short Title' merely identifies the enactment and is chosen merely for convenience, the 'Long Title' on the other hand, describes the enactment and does not merely identify it.
- The title of a statute is an important part of the Act and may be referred to for the purpose of ascertaining its general scope and of throwing light on its construction, although it cannot override the clear meaning of the enactment- **Aswini kumar Ghose v. Arabinda Bose, AIR 1952 SC.**

Preamble:

- The Preamble expresses the scope, object and purpose of the Act more comprehensively than the Long Title. The Preamble may recite the ground and the cause of making a statute and the evil which is sought to be remedied by it.
- In short, the Preamble to an Act discloses the primary intention of the legislature but can only be brought in as an aid to construction if the language of the statute is not clear. However, it cannot override the provisions of the enactment.
- The Preamble of a Statute is a part of the enactment and can legitimately be used for construing it. However, the Preamble does not over-ride the plain provision of the Act but if the wording of the statute gives rise to doubts as to its proper construction.
 - For example, where the words or phrase has more than one meaning and a doubt arises as to which of the two meanings is intended in the Act, the Preamble can and ought to be referred to in order to arrive at the proper construction.

Heading and Title of a Chapter:

- If we glance through any Act, we would generally find that a number of its sections applicable to any particular object are grouped together, sometimes in the form of Chapters, prefixed by Heading and/or Titles.
- These Heading and Titles prefixed to sections or groups of sections can legitimately be referred to for the purpose of construing the enactment or its parts.
- However, there is a conflict of opinion about the weightage to be given to them. While one section of
 opinion considers that a heading is to be regarded as giving the key to the interpretation of the clauses
 ranged under it and might be treated as 'preambles to the provisions following it', the other section of
 opinion is emphatic that resort to the heading can only be taken when the enacting words are
 ambiguous.
- According to this view headings or titles prefixed to sections or group of sections may be referred to as
 to construction of doubtful expressions but cannot be used to restrict the plain terms of an enactment.

Marginal Notes:

- Although there is difference of opinion regarding resort to Marginal Notes for construing an
 enactment, the generally held view is that the Marginal Notes appended to a Section cannot be used
 for construing the Section.
- In C.I.T. vs. Ahmedbhai Umarbhai & Co. (AIR 1950 SC 134 at 141), Patanjali Shastri, J., had declared: "Marginal notes in an Indian statute, as in an Act, of Parliament cannot be referred to for the purpose of construing the statute" and the same view has been taken in many other cases.

 Many cases show that reference to marginal notes may be permissible in exceptional cases for construing a section in a statute. [Deewan Singh v. Rajendra Pd. Ardevi, (2007)10 SCC, Sarabjit Rick Singh v. Union of India, (2008) 2 SCC].

<u>Definitional Sections/Interpretation Clauses</u>:

- The legislature has the power to embody in a statute itself the definitions of its language and it is quite common to find in the statutes 'definitions' of certain words and expressions used in the body of the statute.
- When a word or phase is defined as having a particular meaning in the enactment, it is that meaning alone which must be given to it in interpreting a Section of the Act unless there be anything repugnant in the context.
- The Court cannot ignore the statutory definition and try and extract what it considers to be the true meaning of the expression independently of it.
- The purpose of a definition clause is two-fold:
 - (i) to provide a key to the proper interpretation of the enactment, **and** (ii) to shorten the language of the enacting part by avoiding repetition of the same words contained in the definition part every time the legislature wants to refer to the expressions contained in the definition.

Explanation:

- An Explanation is at times appended to a section to explain the meaning of the text of the section.
- An Explanation may be added to include something within the section or to exclude something from
 it.
- An Explanation should normally be so read as to harmonise with and clear up any ambiguity in the main section. It should not be so construed as to widen the ambit of the section.
- In *Sundaram Pillai v. Pattabiraman, Fazal Ali*, J. gathered the following objects of an explanation to a statutory provision:
 - 1. Explain the meaning and intendment of the Act itself.
 - 2. Clarify any obscurity and vagueness (if any) in the main enactment to make it consistent with the object.
 - 3. Provide an additional support to the object of the Act to make it meaningful and purposeful.
 - 4. Fill up the gap which is relevant for the purpose of the explanation to suppress the mischief and advance the object of the Act.
 - 5. Cannot take away a statutory right.
- However, it would be wrong to always construe an explanation limited to the aforesaid objects. The
 meaning to be given to an explanation will really depend upon its terms and not on any theory of its
 purpose.

Schedules:

- The Schedules form part of an Act. Therefore, they must be read together with the Act for all purposes of construction.
- However, the expressions in the Schedule cannot control or prevail over the expression in the enactment.
- If there appears to be any inconsistency between the schedule and the enactment, the enactment shall always prevail. They often contain details and forms for working out the policy underlying the sections of the statute.

Read the Statute as a Whole:

- It is the elementary principle that construction of a statute is to be made of all its parts taken together and not of one part only.
- Lord Waston, speaking with regard to deeds had stated thus: The deed must be read as a whole in order to ascertain the true meaning of its several clauses, and the words of each clause should be so interpreted as to bring them into harmony with other provisions if that interpretation does no violence to the meaning of which they are naturally susceptible. And the same approach would apply with equal force with regard to Acts and Rules passed by the legislature.
- One of the safest guides to the construction of sweeping general words is to examine other words of like import in the same enactment or instrument to see what limitations must be imposed on them.

Distinction between Proviso, Exception and Saving Clause:

- 'Exception' is intended to restrain the enacting clause to particular cases.
- 'Proviso' is used to remove special cases from general enactment and provide for them specially.
- 'Saving clause' is used to preserve from destruction certain rights, remedies or privileges already existing.

6. EXTERNAL AIDS TO INTERPRETATION/ CONSTRUCTION

External Factors Are:

Historical Setting:

- The history of the external circumstances which led to the enactment in question is of much significance in construing any enactment.
- History in general and Parliamentary History in particular, ancient statutes, contemporary or other authentic works and writings all are relevant in interpreting and construing an Act.
- We have also to consider whether the statute in question was intended to alter the law or leave it where it stood before.

Consolidating Statutes & Previous Law:

- The Preambles to many statutes contain expressions such as "An Act to consolidate" the previous law, etc. In such a case, the Courts may stick to the presumption that it is not intended to alter the law.
- They may solve doubtful points in the statute with the aid of such presumption in intention, rejecting the literal construction.

Usage:

- Usage is also sometimes taken into consideration in construing an Act. The acts done under a statute provide quite often the key to the statute itself. It is well known that where the meaning of the language in a statute is doubtful,
- Usage how that language has been interpreted and acted upon over a long period may determine its true meaning.
- It has been emphasized that when a legislative measure of doubtful meaning has, for several years, received an interpretation which has generally been acted upon by the public.
- The Courts should be very unwilling to change that interpretation, unless they see cogent reasons for doing so.

Earlier & Later Acts and Analogous Acts:

- Exposition of One Act by Language of Another.
- The general principle is that where there are different statutes in 'pari materia' (i.e. in an analogous case), though made at different times, or even expired and not referring to each other, they shall be taken and construed together as one system and as explanatory of each other.
- If two Acts are to be read together then every part of each Act has to construed as if contained in one composite Act. But if there is some clear discrepancy then such a discrepancy may render it necessary to hold the later Act (in point of time) had modified the earlier one. However, this does not mean that every word in the later Act is to be interpreted in the same way as in the earlier Act.
- Where the later of the two Acts provides that the earlier Act should, so far as consistent, be construed as one with it then an enactment in the later statute that nothing therein should include debentures was held to exclude debentures from the earlier statute as well.
- Where a single section of one Act (say, Act 'P') is incorporated into another statute (say Act 'Q'), it must be read in the sense which it bore in the original Act from which it is taken consequently, it would be legitimate to refer to all the rest of Act 'P' to ascertain what that Section means, though one Section alone is incorporated in the new Act (Act 'Q').
- Reference to Repealed Act: Where a part of an Act has been repealed, it loses its operative force. Nevertheless, such a repealed part of the Act may still be taken into account for construing the un-repealed part. This is so because it is part of the history of the new Act.
- Earlier Act Explained by the Later Act: Not only may the later Act be construed in the light of the earlier Act but it (the later Act) sometimes furnishes a legislative interpretation of the earlier one, if it is 'pari materia' and if, but only if, the provisions of the earlier Act are ambiguous.

Dictionary Definitions:

- First we have to refer to the Act in question to find out if any particular word or expression is defined in it.
- Where we find that a word is not defined in the Act itself, we may refer to dictionaries to find out the general sense in which that word is commonly understood.
- However, in selecting one out of the several meanings of a word, we must always take into consideration the context in which it is used in the Act.
- It is the fundamental rule that the meanings of words and expressions used in an Act must take their colour from the context in which they appear.
- Judicial decisions laying down the meaning of words in construing statutes in 'pari materia' will have greater weight than the meaning furnished by dictionaries. However, for technical terms reference may be made to technical dictionaries.

Use of Foreign Decisions:

- Foreign decisions of countries following the same system of jurisprudence as ours and given on laws similar to ours can be legitimately used for construing our own Acts.
- However, prime importance is always to be given to the language of the Indian statute.
- Further, where guidance can be obtained from Indian decisions, reference to foreign decisions may become unnecessary.

7. RULES OF INTERPRETATION/ CONSTRUCTION OF DEEDS AND DOCUMENTS

RULES OF INTERPRETATION/
CONSTRUCTION OF DEEDS AND DOCUMENTS

The first and foremost point that has to be borne in mind is that one has to find out what a reasonable man, who has taken care to inform himself of the surrounding circumstances of a deed or a document, and of its scope and intendments, would understand by the words used in that deed or document.

It is inexpedient to construe the terms of one deed by reference to the terms of another.

It is well established that the same word cannot have two different meanings in the same document, unless the context compels the adoption of such a rule.

- The Golden Rule is to ascertain the intention of the parties to the instrument after considering all the words in the document/deed concerned in their ordinary, natural sense.
- The status and training of the parties using the words have also to be taken into account as the same words may be used by an ordinary person in one sense and by a trained person or a specialist in quite another special sense.
- In case of conflict between two or more clauses of the same document.
 An effort must be made to resolve the conflict by interpreting the clauses so that all the clauses are given effect to. If, however, it is not possible to give effect to all of them, then it is the earlier clause that will over-ride the latter one.
- Similarly, if one part of the document is in conflict with another part, an attempt should always be made to read the two parts of the document harmoniously, if possible. If that is not possible, then the earlier part will prevail over the latter one which should, therefore, be disregarded.

8. Documents- Meaning and Elements

Meaning:

- ➤ "Document" is a paper or other material thing giving information, proof or evidence of anything.
- ➤ Section 3 of the Indian Evidence Act, 1872 states that 'document' means any matter expressed or described upon any substance by means of letters, figures or marks or by more than one of those means intended to be used or which may be used for the purpose of recording that matter.
- ➤ Section 3(18) of the General Clauses Act, 1897 states that the term 'document' shall include any matter written, expressed or described upon any substance by means of letters, figures or marks or by more than one of those means which is intended to be used or which may be used for the purpose of recording this matter.

FOUR ELEMENTS OF DOCUMENT:

The ddocuments comprise of following four elements:

- ➤ **Matter:** This is the first element. Its usage with the word "any" shows that the definition of document is comprehensive.
- ➤ **Record:** This second element must be certain mutual or mechanical device employed on the substance. It must be by writing, expression or description.
- > **Substance:** This is the third element on which a mental or intellectual elements comes to find a permanent form.
- ➤ **Means:** This represents forth element by which such permanent form is acquired and those can be letters, any figures, marks, symbols which can be used to communicate between two persons.

9. Distinction between "Mandatory" and "Directory" provisions in a statute

"Mandatory" and "Directory" provisions in a statute

The distinction between a provision which is mandatory and one which is 'directory' is that when it 'mandatory', it must be strictly complied with, when it is 'directory', it would be sufficient that it is substantially complied with.

Non-observance of mandatory provisions involves the consequences invalidating. But non-observance of directory provision does not entail the consequence of invalidating, whatever other consequences may occur.

No general rule can be laid down for deciding whether any particular provision on a statue is mandatory or directory. In each case the court has to consider not only the actual word used, but has to decide the legislatures intent.

For ascertaining the real intention of the legislature, the court may consider amongst other things the following:

- (1) The nature and design of the statute.
- (2) The consequence, which would flow from construing one-way or the other.
- (3) The impact of other provisions by resorting to which the necessity of complying with the provision in question can be avoided.
- (4) Whether or not the statute provides any penalty if the provision in question is not complied with
- (5) If the provision in question is not complied with, whether the consequences would be trivial or serious.
- (6) Most important of all, whether the object of the legislation will be defeated or furthered.

10. Effect of 'Usage' or 'Practice'

In this connection, we have to bear in mind two Latin maxims:

• 'Optima Legum interpres est consuetude' (the custom is the best interpreter of the law);

and

• *'Contempranea exposito est optima et fortissinia in lege'* (the best way to interpret a document is to read it as it would have been read when made).

Therefore, the best interpretation/construction of a statute or any other document is that which has been made by the contemporary authority.

A uniform notorious practice continued under an old statute and in action of the Legislature to amend the same are important factors to show that the practice so followed was based on correct understanding of the law. Usage or practice developed under the statute is indicative of the meaning recognized to its words by contemporary opinion.

Old statutes and documents should be interpreted as they would have been at the time when they were enacted/ written.