

Interpretation of Statutes

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Interpretation of Statutes - Meaning

- Interpretation means:
 1. ascertaining what **intention** is **conveyed by a statute**,
 2. expressly or impliedly,
 3. so far as is necessary to determine whether the facts of a particular case fall within it or not
- Legal problem solving has two aspects:
 1. **discovery of the facts** of a situation; and
 2. ascertaining **how law would apply** to the those facts.
- For the second aspect, it is essential to determine what the true intention of the law is. For example, different words and groups of words have different meaning to different persons (like **"table"** for a carpenter means an item of furniture but to an accountant, it may mean a **"spreadsheet"** or a **"matrix"**).
- Hence, to ascertain the real intention of law, interpretation is required.

Rules of Interpretation (or Construction)

- To ensure that **same methodology is used in all cases requiring interpretation**, certain rules have evolved over the years;
- These can be classified broadly in two categories:
 1. **Primary Rules**; and
 2. **Secondary Rules**.

Primary Rules

- Primary Rules are the rules which are **used at the first instance**;
- It is recommended that these rules be **used in the order** in which these are indicated below:
 1. Rule of Literal or grammatical construction;
 2. Rule of Reasonable construction (also known as Golden Rule of Interpretation);
 3. Rule of Harmonious construction;
 4. Rule of Beneficial construction (also known as Mischief Rule or Heydon's Rule or Rule of Purposive Construction);
 5. Rule of Exceptional construction;
 6. Rule of Ejusdem generis

Secondary Rules

- Secondary Rules are the rules which are **secondary to the primary rules**;
- These may be **used in conjunction with or in addition to** the primary rules;
- These may be **used when application of primary rules do not provide a clear interpretation**;
- These rules are stated below and **do not find an order of usage**:
 1. **Noscitur a sociis**: word is known by its companions;
 2. **Expressio unis est exclusio alterius**: mention of one thing is exclusion of others;
 3. **Contemporanea expositio**: word should be interpreted in the way it has been interpreted by contemporary authorities.

Literal or Grammatical Construction

- This Rule means that plain and natural meaning must be given to a statute;
- As per this rule:
 1. language must be construed grammatically;
 2. words must be given ordinary meaning;
 3. technical words must be given their technical meaning.
- Where a matter which should have been but has not been provided for in the statute, Courts cannot supply it as to do so would amount to legislation and would not be construction [**SC in CIT, MP vs. Smt. Sodra Devi**]

Literal or Grammatical Construction.....contd.

- Following must be considered while applying this rule:
 1. when words are clear, no interpretation is required;
 2. each word should be read;
 3. no word should be added, unless it is blatantly apparent that something is missing;
 4. missing things cannot be added or supplied;
 5. anomalies should stay and not be resolved;
 6. no external or internal aid should be taken.

Literal or Grammatical Construction.....contd.

- **Limitations/risks of this rule:**
 1. Very limited and used only when words have only one standard meaning;
 2. Fails when same word has different ordinary meaning;
 3. No emphasis is given to intent of law;
 4. Presumes that draftsman cannot err so far as his expression of intention is concerned;
 5. Carries a risk of interpreting the intent of draftsman instead of legislature.

Literal or Grammatical Construction.....contd.

- **Example:**
- Under Section 148 of Indian Contract Act, 1872, "bailment" is defined as delivery of goods by one person to another.....;
- Delivery as per this Rule will construct it as follows:
 1. Physical delivery; as well as
 2. Symbolic delivery

Rule of Reasonable or Logical Construction

- It means that a statute must be given a logical meaning;
- The meaning must be fair, sensible and rational;
- The **meaning must be in accordance with the intention of the statute** seen in light of the circumstances necessitating it;
- **Limitations of this Rule:**
 1. leaves too much in the hands of the interpreter;
 2. Persons with different levels of mental faculties are bound to interpret same thing in different fashion.

Rule of Reasonable or Logical Construction

- **Example 1:** Following notice is written in a park: "Do not walk on the grass"
- **The situation:** A man is caught running on the grass and he takes the plea that running on the grass has not been provided on the notice board.
- **Literal interpretation:** Literal interpretation just leads to a conclusion that running on the grass is not prohibited.
- **So:**
 - the literal interpretation fails to bring the activity of running into the ambit of walking;
 - therefore, it is a fit case to trigger logical interpretation;
 - now, the **logical intention** of the statute is to be seen, which is to **prohibit humans to spoil grass through the activities of walking or alike;**
 - logical or reasonable interpretation would not only hold running but also playing activities inclusive into the walking activity in it.

Rule of Reasonable or Logical Construction

- **Example 2:**
- **"shall be signed by an officer of the firm"** would also mean
- **"may also be signed by owner of the firm"** as per the rule of reasonable interpretation,
- **the logic being that** the owner is a superior authority than the officer and it is he who in fact has authorized the officer to sign.

Rule of Harmonious Construction

- This Rule is **adopted** where there is a **conflict between two statutes or two provisions of the same statute**;
- It simply means that conflict between two different meanings of same provision should be **resolved in such a manner that both can operate in harmony**;
- It is a **reconciliatory rule**;
- **NOTE:**
 1. **overriding provisions cannot be harmonised**, since they do not need harmonising;
 2. the **overriding provision is simply exceptions** to the main provision.

Rule of Harmonious Construction....contd.

- **Example:** Section 166 read with Section 210 of the Companies Act, 1956;
- **Usage:**
This rule is generally used in interpreting constitutional provisions, usually, to interpret the analogous laws made by the Centre and the State on the matters contained in concurrent list.

Mischief Rule or Heydon's Rule or Purposive Construction

- As per the mischief rule, **the intention of legislature behind an enactment should be respected and followed**;
- By this Rule, one is able to **suppress the mischief** (mischievous meaning) and **adopt the remedial meaning** (meaning that suits best to the intention of the legislature);
- Analysis required as to **what the legislature would have actually intended while drafting the law** (not the particular provision but the whole law).

Mischief Rule or Heydon's Rule or Purposive Construction

- **Example:**

1. Section 396 of the Companies Act, 1956 (i.e. Amalgamation in Public Interest) vis-à-vis its heading (i.e. Amalgamation in National Interest);

NOTE:

1. This rule does not apply when the words are clear;
2. This rule does not find application in financial and taxation laws.

Rule of Exceptional Construction

- This rule means that:

1. **either** the absurd words be interpreted differently, in variation to their ordinary dictionary meaning; **or**
2. be avoided, if their usage result in absurdity.

Rule of Exceptional Construction

- **Examples:**

- **"And" and "or":** These are **conjunctive words** and must be given their ordinary meaning.
 1. **"And":** connotes an essential provision. In case "and" is used between more than one provisions, all of them are essential;
 2. **"or":** connotes a discretionary or alternate provision. If "or" is used between more than one provision, either of them may be satisfied and applied.
- **"May" and "shall":**
 1. **"May":** has a directory force. "May" is a word signifying seeking permission;
 2. **"Shall":** has a mandatory force. It usually signifies a **compulsory** nature. "Shall" is a word signifying a command.

Rule of Exceptional Construction

- **“Must”**: essentially means a **command**. The actions against which “must” is used demand a positive action unless “must” is suffixed by “not”.
 1. “shall” means “must” unless otherwise intended;
 2. “may” never means “must”, unless otherwise intended.
- Courts while interpreting mandatory and directory provisions, try to ascertain the intention of the legislature by using rules of interpretation.

Rule of Ejusdem Generis

- Ejusdem generis means “of the same species or class”;
- As per this rule, the **general words after specific words** (and not specific words after general words) shall be construed with reference to the specifics;
- **Examples:**
 - An Act permits keeping dogs, cats, cows and **“other animals”**. The expression “other animals” would thus mean only domestic animals and not wild animals;
 - Where there was prohibition on importation of ‘arms, ammunition, or gunpowder or any other goods’ the words ‘any other goods’ were construed as referring to goods similar to ‘arms, ammunition or gun powder’ (AG vs. Brown)

Noscitur a sociis

- Two or more different words but having similar meaning used together become cognate if they are used together and must be understood in the same sense.
- **Example:** Thus, “pet” dog would not include “wild dog”, “wines and spirits” would mean “beverages” and not “industrial alcohol”;

Expressio unis est exclusio alterius

- It means one expression excludes the possibility of the other;
- If two expressions are mutually exclusive, presence of one will exclude the possibility of happening other;
- **Example:** if a provision says "if alive", then the mere fact that the person is dead would exclude all provisions applicable to that person.

Contemporanea exposition

- The interpretation given to a provision in an **existing legislation, which is acceptable at large, would be considered contemporaneous**, and would apply to interpret the same again to the **new set of facts**;
- **Exceptions:**
 - does not apply to a new statute since there are no chances of a contemporaneous exposition;
 - does not apply if irrelevant to new set of facts

Intrinsic aids of interpretation

- Assistance may be sought from the various portions of the statute;
- **Some intrinsic aids:**
 1. Title;
 2. Heading (There may be headings of chapters and heading of sections of the Act. Headings are not part of statute. Rather they are given just for the matter of convenience);
 3. Preamble;
 4. Objects and Reasons;
 5. Definitions;
 6. Illustrations;
 7. Proviso;
 8. Explanations;
 9. Schedules;
 10. Marginal Notes (not the part of Act)

Extrinsic aids to interpretation

- These are the tools referred from outside the legislation;
- **Some Extrinsic Aids:**
 1. History;
 2. Socio-economic-political environment;
 3. Reference to other statutes;
 4. Dictionary;
 5. Parliamentary Debates

THANK YOU
