Collector of Central Excise

Vs

Standard Motor Products and Others.

Review Petitions Nos. 557-564,571 and 594 of 1987

(S. Natarajan, Sabyasachi Mukharji, M. H. Kania JJ)

24.02.1989

JUDGMENT

SABYASACHI MUKHARJI J. –

1. In these matters, the question that arises for consideration is whether a learned single judge sitting in chambers is competent to dismiss applications for condonation of delay in statutory appeals under Order XX-A of the Supreme Court Rules, 1966, regarding appeals under section 55 of the Monopolies and Restrictive Trade Practices Act, 1969, as well as under Order XX-B regarding appeals under section 130E of the Customs Act, 1962, and section 35L of the Central Excises and Salt Act, 1944. It appears that an application for condonation of delay came before a learned single judge and in the circumstances mentioned in the Review Petition No. 557 of 1987, the application was dismissed by the learned single judge. That order was passed by the learned single judge under Order VI, rule 2(14) of the Supreme Court Rules, 1966. The application had been filed for condonation of delay along with the statutory appeal against the judgment/order of the Customs, Excises and Gold Control Appellate Tribunal. The Revenue, being the Collector of Central Excise, Madras, in this case, filed a review petition on the ground that the application for condonation of delay made in the statutory appeals arising out of final orders of the Tribunal under several Acts should be heard by a Bench of at least two judges. The matter was posted before this Bench for consideration as to whether the learned single judge had jurisdiction to dismiss such application for condonation of delay or not.

In order to decide this question, it is necessary to have a conspectus of the relevant rules. In the Supreme Court Rules, 1966 (hereinafter referred to as "the Rules"), as amended in 1983, under Order XX-B of the said rules, provision has been made for appeals under clause (b) of section 130E of the Customs Act, 1962, and under section 35L of the Central Excises and Salt Act, 1944. According to rule 1 thereof, the petition of appeal shall, subject to the provisions of sections 4, 5 and 12 of the Limitation Act, 1963, be presented within 60 days from the date of the order sought to be appealed against or within 60 days from the date on which the order sought to be appealed against is communicated to the appellant, whichever is later. The time required for obtaining a copy of the order should be excluded. There is, however, no provision providing for limitation in the concerned statutes.

According to rule 2 of Order XX-B, rules 1 to 7 of Order XX-a of the Rules relating to appeals under section 51 of the Monopolies and Restrictive Trade Practices Act, 1969, shall, with necessary modifications and adaptations, apply to appeals under the Order.

Rule 3 of Order XX-A provides as under :

> "After the appeal is registered, it shall be put up for hearing ex parte before the court which may either dismiss it summarily or direct issue of notice to all necessary parties, or may make such orders as the circumstances of the case may require."

According to this provision, it appears that all such statutory appeals have to be placed before a court for ex parte admission.

According to section 5 of the Limitation Act, 1963 :

> "Any appeal or any application... may be admitted after a prescribed period if the appellant or the applicant satisfies the court that he had sufficient cause for not preferring the appeal or making an application within such a period."

Some grounds, according to the appellant, had been made for condonation of delay Apparently, in the facts of the case, the learned single delay. Consequently, it was contended that the effect of the refusal of condonation of delay was dismissal of the appeal following as a result thereof. The question is, can the learned single judge do it ? The learned single judge has done it by virtue of rule 2(14) of Order VI of the said Rules. Order VI deals with "Business in chambers". Order VI, rule 1 provides that the powers of the court in relation to the matters enumerated thereunder would be exercised by the registrar. Order VI, Rule 2, provides that the powers of the court in relation to certain matters may be exercised by a single judge sitting in chambers. Thereafter, 28 such matters are enumerated. Rule 2(14) of Order VI provides as follows :

> "Applications for enlargement or abridgement of time except where the time is fixed by the court and except applications for condonation of delay in filing special leave petitions."

Reading the rule simply, it appears to us that it means all applications for the enlargement or abridgement of time would be cognizable by the learned single judge in chambers except those applications time for which has been fixed by the court in terms of Order VII and also applications for condonation of delay in filing special leave petitions. This appears to us to be the logical and literal meaning of the said rule. A question, however, has been posed : is this an applications for condonation of delay or an application for enlargement or abridgement of time ? This question, it appears to us, is concluded by the decision of this court in CIT v. R H Pandit, Managing Trustees of Trust, AIR 1974 SC 2269; [1975] 2 SCR 7. There, a Bench of three learned judges of this court had occasion to consider this question. A question arose there as to whether the application for condonation of delay in filing a petition of appeal could be heard by the judge in his chambers. Ray C.J. observed in the said judgment that an argument was advanced before the hon'ble judge in chambers that if an application for condonation of delay was refused by the judge in chambers, it would amount to dismissal of the appeal by the judge in chambers. Therefore, it was said that these applications should be heard by "the court" which alone was competent to dismiss the appeal. By court, it was urged, is meant a Bench of two learned judges. After giving notice to the learned attorney. General and the Bar Association, the matter was discussed by this court and it was held that in view of Order VI, rule 2(14) of the Rules set out hereinbefore, all applications for enlargement or abridgement of time except the three cases mentioned in Order VI, rule 2(14) were to be heard by the judge in chambers. At the relevant time, the three matters included, inter alia, deposit of security. This court observed in the said decision the an important exception was the application for condonation of delay in filing special leave petitions. It was observed that Order XLVII, rule 3, of the Rules stated that the court might enlarge or abridge any time appointed by

these rule or fixed by any order enlarging time, for doing any act or taking proceedings, upon such terms, if any, as the justice of the case might require, and any enlargement might be ordered, although the application therefor was not made until after the expiration of the time appointed or allowed. A petition of appeal was required under Order XV of the Rules to be presented within 60 days from the grant of certificate of fitness. The time to present the petition of appeal was fixed by the rules of this court. It was observed, therefore, that Order XLVII, rule 3, should apply with regard to enlargement or abridgement of any time appointed by the rules for doing any act. This court was of the view that Order VI, rule 2(14), spoke of the applications for enlargement or abridgement of time. Here, the words "enlargement or abridgement of time" took in applications for enlargement of time appointed by the rules, that is to say, according to this court, fixed by the rules. The significant feature of the Rules was that applications for condonation of delay in filing special leave petitions were excepted from the business of a chamber judge. The natural presumption was that, but for the exception, the rule would have to include also applications for condonation of delay in filing special leave petitions. Any application for condonation of delay in filing a petition of appeal was, therefore, included in applications for enlargement or abridgement of time. This court noted that the practice of the chamber judge hearing applications for condonation of delay in filing petitions of appeal within the time appointed by the rules of this court had been followed ever since 1966. Cursus curiae est lex curiae. The practice of this court is the law of the court. See Broom's Legal Maxims at p. 82. Where a practice had existed, it was convenient to adhere to it because it was the practice. It was noted that the power of each court over its own process is unlimited; it is power incident to all courts. Reliance was placed on the observations in Cocker v. Tempest [1841] 7 M & W 502; 151 ER 864. Therefore, this court held that applications for condonation of delay in filing petitions of appeal were within the chamber business under Order VI, rule 2(14). Learned additional Solicitor-General contended that the aforesaid decision requires reconsideration. He submitted that a prior decision of this court and a decision of the Calcutta High Court were not adverted to. He further submitted that this court spoke of "enlargement of abridgement of time" fixed by the rules. Therefore, it could not be contended that an application for condonation of delay would come within this purview. Furthermore, it was argued that if the exceptions in favour of special leave petitions are maintained, there would be hostile discrimination without any basis, namely, special leave petitions being amenable to be dealt with by the two judges, while the learned single judge will dispose of the applications for condonation of delay under statutory appeals. This, it was submitted, is irrational and violative of article 14 of the Constitution and the rules should not be so construed. The learned Additional Solicitor-General, therefore, submitted before us that we should hold that as dismissal of application for condonation of delay amounts to dismissal of the appeal, it should be heard in terms of Order VII, rule 1, subject to other provisions, namely, it should be heard by not less than two judges. He submitted that it we were not inclined to accept this submission in view of the decision of this court in CIT v. R. H. Pandit Managing Trustees of Trust, AIR 1974 SC 2269, we should refer the matter to a larger Bench for reconsideration of the matter.

We have considered the matter. We are unable to accept the submission of the learned Additional Solicitor-General. We accept the reasoning of the decision of this court in CIT v. R. H. Pandit, AIR 1974 SC 2269. We find that that was the practice of the court, That has been sanctified by the judicial decision. We also see reason in the decision and the practice. We do not find any reason for holding that the practice of this court, followed since 1966, requires to be altered. Arranging the business of the court is within the domain of the court. These rules have been framed by this court with the approval of the President of India. Under Order I, rule 2(1)(g), of the Rules, "court" means the Supreme Court of India. Sub-rule (14) of rule 2 of Order VI empowers a single judge to decide certain matters which speak of applications for enlargement or abridgement of time except where

the time is fixed by the court and except, inter alia, applications for condonation of delay in filing special leave petitions. On a proper reading, it appears to us that the exception made only in favour of the time fixed by the court means court functioning judicially in terms of Order VII, rule 1, as well as time fixed by the rules of the court. All other applications for enlargement or abridgement of time could be heard by the learned single learned single judge. As is clear, Order VI demarcates the power of the Registrar and the learned single judge and Order VII demarcates the constitution of the Division Courts, powers of a single judge and the vacation judge. This is arranging the business of the court. This is within the power of the court Two decisions were referred to us by the learned Additional Solicitor-General. Our attention was drawn to the observations in the Division Bench judgment of the Calcutta High Court in Promotho Nath Roy v. W. A. Lee, AIR 1921 Cal 415. There, the court was concerned with the provision of the Civil Procedure Code, section 109. The court observed that an order dismissing an appeal as barred by limitation prescribed therefor after further refusing an application under section 5 of the Limitation Act to admit the appeal after the prescribed time, was "passed on appeal" under section 109. Sanderson C.J. doubted the said conclusion but observed that this involved a substantial question of law. That was an application by the defendant for a certificate that the decree of this court, from which the appeal was sought to the Privy Council involved a claim of Rs. 10,000 and that the appeal involved some substantial question of law. The question was whether such application should be allowed. A point was taken on behalf of the plaintiff the decree of the High Court was not one "passed on appeal" within the meaning of clause (a) of section 109 of the Civil Procedure Code. There it appears that the order of Mr. Justice Greaves against which the appeal was directed, was made on July 26, 1918. On August 30, 1918, being the last day for sitting of the court, at about 5.00 p.m. after the court of appeal had risen an application was made to Mr. Justice Chaudhuri sitting on the original side for leave to file the memorandum of appeal without a copy of the order against which the defendant desired to appeal. The learned judge granted leave to the defendant to file the memorandum of appeal subject to any objection which might be taken on behalf of the plaintiff. When the matter came before the Appeal Court, the plaintiff took the point that the appeal was out of time. The Appeal Court decided that the appeal was out of time, being barred by the Limitation Act, and the court further refused an application under section 5 of the Limitation Act to admit the appeal after the prescribed time and the appeal was dismissed. Having regard to the abovementioned facts, Sanderson C.J. observed that it cannot be held that the order was not one "passed on appeal". Sanderson C.J. had some doubts on that proposition but agreed with Woodroffe J. that the appeal involved a substantial question of law. In that appeal, a certificate was granted. In our opinion, this decision is not relevant for the issue before us. Whether an order dismissing an application for condonation of delay in the case of a statutory appeal is an order on appeal is not quite in issue here and is not decisive of the matter. It does not solve the question whether a learned single judge can dismiss an application for condonation of delay in a statutory appeal. After all, the court functions by its arrangement under the Rules. Order VI mentions the chamber business and the business to be transacted by the Registrar and single judge sitting in chambers. The powers of the court, that is to say, the whole court and the powers of the Division Bench normally, except those mentioned in Order VI, will be as enjoined by rule 1 of Order VII, that is to say, a Bench consisting of not less than two judges. In that view of the clear provisions of the rule, we are of the opinion that the said decision of the Calcutta High Court upon which reliance has been placed does not, in any manner, detract from the decision of this court in CIT v. R. H. Pandit, AIR 1974 SC 2269. Our attention was also drawn to a decision of this court in Mela Ram and Sons v. CIT [1956] 29 ITR 607; [1956] SCR 166. There, the appellant firm had filed appeals against orders assessing it to income-tax and super-tax for the two years 1945-46 and 1946-47 beyond the time prescribed by section 30 (2) of the Indian Income-tax Act, 1922. The appeals were numbered and notices were issued for their hearing under section 31 of

the Indian Income- tax Act, 1922. At the hearing of the appeals before the Appellate Assistant Commissioner, the Department took the objection the appeals were barred by time. The appellant prayed for condonation of delay, but that was refused, and the appeals were dismissed as time-barred. The appellant then preferred appeals against the orders of dismissal to the Tribunal under section 33 of the Act, and the Tribunal dismissed them on the ground that the orders of the Assistant Commissioner were in substance passed under section 30 (2) and not under section 31 of the Act and that no appeal lay against them under section 33 of the Act. This court observed that an appeal presented out of time is an appeal and an order dismissing it as time-barred is one "passed in appeal". Section 31 of the Act was the only provision relating to the hearing and disposal of appeals and if an order dismissing an appeal as barred by limitation as in the present case is on passed in appeal, it must fall within section 31 and as section 33 confers a right of appeal against all orders passed under section 31, it must also be appealable. These observations, in our opinion, were made entirely in different statutory context and cannot be used in the context in which the question has arisen before us in the present case. Learned Additional Solicitor-General submitted before us that in view of the fact that these two decisions were not considered by this court in CIT v. R. H. Pandit, AIR 1974 SC 2269, and in view of the fact that this argument in favour of the statutory appeals to be heard by the learned single judge while the applications for condonation of delay in respect of the special leave petitions to be heard by the bench of two learned judges will be violative of article 14 of the Constitution and, as such, this contention should be heard by a larger Bench. We are unable to accept this submission.

This court had occasion to consider the situation in which the question settled by this court can be reviewed. Reference may be made to the observations of Gajendragadkar C.J. in Keshav Mills Co. Ltd. v. CIT [1965] 56 ITR 365 (SC); [1965] 2 SCR 908, at page 921, the learned Chief Justice observed (p. 376) :

> "In dealing with the question as to whether the earlier decisions of this court in New Jehangir Vakil Mills' case [1959] 37 ITR 11; [1960] 1 SCR 249 and Petlad Co. Ltd's case [1963] 48 ITR (SC) 92; [1963 Suppl.1 SCR 871, should be reconsidered and revised by us, we ought to be clear as to the approach which should be adopted in such cases. Mr. Palkhivala has not disputed the fact that in a proper case, this court has inherent jurisdiction to reconsider and revise its earlier decisions, and so, the abstract question as to whether such a power vests in this court or not need not detain us. In exercising this inherent power, however, this court would naturally like to impose certain reasonable limitations and would be reluctant to entertain pleas for the reconsideration limitations and would be reluctant to entertain pleas for the reconsideration and revision of its earlier decisions, unless it is satisfied that there are compelling and substantial reasons to do so. It is general judicial experience that in matters of law involving questions of construing statutory or constitutional provisions, two views are often reasonably possible views, the process of decision-making is often very difficult and delicate. When this court hears appeals against decisions of the High Courts and is required to consider the propriety or correctness of the view taken by the High Courts on any point of law, it would be open to this court to hold that, though the view taken by the High Court is reasonably possible, the alternative view which is also reasonably possible is better and should be preferred. In such case, the choice is between the view taken by the High Court whose judgment is under appeal and the alternative view which appears to this court to be more reasonable and in accepting its own view in preference to that of the High Court, this court would be discharging its duty as a court of appeal. But different

> considerations must inevitably arise where a previous decision of this court has taken a particular view as to the construction of a statutory provision, as, for instance, section 66 (4) of the Act. When it is urged that the view already taken by this court should be reviewed and revised, it may not necessarily be an adequate reason for such review and revision to hold that though the earlier view is a reasonably possible view, the alternative view which pressed on the subsequent occasion is more reasonable. In reviewing and revising its earlier decision, this court should ask itself whether in the interests of the public goods or for any other valid and compulsive reasons, it is necessary that the earlier decision should be revised. When this court decides questions of law, its decisions are, under article 141, binding on all courts within the territory of India, and so, it must be the constant endeavour and concern of this court to introduce and maintain an element of certainty and continuity in the interpretation of law in the country. Frequently exercise by this court of its power to review its earlier decisions on the ground that the view pressed before it later appears to the court to be more reasonable, may incidentally tend to make law uncertain and introduce confusion which must be consistently avoided. That is not to say that if, on a subsequent occasion, the court is satisfied that its earlier decision was clearly erroneous, it should hesitate to correct the error; but before a previous decision is pronounced to be plainly erroneous, the court must be satisfied with a fair amount of unanimity amongst its members that a revision of the said view is fully justifies. It is not possible or desirable, and in any case it would be inexpedient to lay down any principles which should govern the approach of the court in dealing with the question of reviewing and revising its earlier decisions. It would always depend upon several relevant considerations : What is the nature of the infirmity or error on which a plea for a review and revision of the earlier view is based ? On the earlier occasion, did some patent aspects of the question remain unnoticed, or was the attention of the court not drawn to any relevant and material statutory provision, or was any previous decision of this court bearing on the point not noticed ? Is the court hearing such plea fairly unanimous that there is such an error in the earlier view ? What would be the impact of the error on the general administration of law or on public good ? Has the earlier decision been followed on subsequent occasions either by this court or by the High Courts ? And, would the reversal of the earlier decision lead to public inconvenience, hardship or mischief ? These and other relevant considerations must be carefully borne in mind whenever this court is called upon to exercise its jurisdiction to review and revise its earlier decisions."

This view was again reiterated by this court in the Pillani Investment Corporation Ltd. v. ITO [1972] 83 ITR 217 (SC).

On the facts and in the circumstances of the case, in the light of the provisions of the said rules as noticed before, we cannot say that we are satisfied that the earlier decision of this court in CIT v. R. H. Pandit, AIR 1974 SC 2269, was clearly erroneous. In that view of the matter, it is not necessary to refer this questions to a larger Bench or to disturb the settled practice of this court. There is no substance in the contention of any discrimination under article 14 of the Constitution or in Order VII, rule 2 (14). Applications under article 136 are a special class and are suijuris. These are and should legitimately be treated separately from all other applications including applications under statutory appeals. If a separate and distinct provision is made for application for condonation of delay under article 136 of the Constitution, we do not see any conceivable ground which can be taken for contending that it is violative of article 14 of the Constitution. After all, article 136 is the

residuary power of this court to do justice where the court is satisfied that there has been injustice. These are a class apart. The practice of one learned single judge disposing of, in chambers, applications for condonation of delay in the statutory appeals is just, fair and reasonable. Every court has the right to arrange its own affairs. We find no reason either to upset that practice or to cast any doubt on the propriety of such practice. In this connection, reference may be made to the decision of this court in P. N. Eswara Iyer v. Registrar, Supreme Court of India [1980] 2 SCJ 119; AIR 1980 SC 808, where this court upheld the circulation system for the disposal of review petitions and held that an early hearing was the essential requirement if a review petition is found devoid of substance. Such different treatment in respect of different applications has always been within the domain of court's arrangement of business. These do not involve any violation of any fundamental right. In the premises, we do not find any reason to interfere with the order passed. We hold that a single learned judge, in chambers, is and was always competent to dismiss all applications for condonation of delay in statutory appeals. We find nothing repugnant in the same and no substance in the contention that otherwise the same would be violative of article 14 of the Constitution. The review petitions, therefore, fail and are dismissed.

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