



CHAPTER 2 – INTERPRETATION OF STATUTES

Introduction

Definition / Meaning of Terms

1. Statute:

(a) "**Statute**" generally means the laws and regulations of various kinds irrespective of the source from which they emanate.

2. Law:

(a) "**Law**" is defined as including any Ordinance, Order, Bye-Law, Rule, Regulation, Notification and the like.

(b) "**Statute**" signifies **written law** as opposed to unwritten law.

3. Document

- ⇒ A document is a **paper or other material thing giving information**, proof or evidence of anything.
 - ⇒ Section 3 of the Indian Evidence Act, 1872 and Section 3(18) of General Clauses Act, 1987, 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.
 - ⇒ Document = Paper + Anything written on it
- Essential elements of a Document:
1. **Matter**—This is the first element. Its usage with the word "any" shows that the definition of document is comprehensive.
 2. **Record**—This second element must be certain mutual or mechanical device employed on the substance. It must be by writing, expression or description.
 3. **Substance**—This is the third element on which a **mental or intellectual** elements comes to find a permanent form.
 4. **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.

4. Instrument

- ⇒ Instrument means **a formal legal document** which creates or confirms a right or records a fact.
- ⇒ It is a formal writing of any kind, such as an agreement, deed, charter or record, drawn up and executed in a technical form.
- ⇒ It also means a formal legal document having legal effect, either as creating liability or as affording evidence of it.
- ⇒ Section 2(14) of the Indian Stamp Act, 1899 states that 'instrument' includes every document by which any right or liability is or purports to be created, transferred, extended, extinguished or recorded.
- ⇒ **Instrument = Paper + Anything written on it + Creation of Right or Liability**

5. Deed

- ⇒ The Legal Glossary defines 'deed' as an instrument in writing (or other legible representation or words on



parchment or paper) purporting to effect some legal disposition.

⇒ Deed = Paper + Anything written on it + Creation of Right or Liability + Signed by Parties + Attestation by Witnesses

⇒ **Note:**

1. All Deeds are Instruments but all Instruments are not Deeds;
2. All Deeds are Documents but all Documents are not Deeds;
3. All Instruments are Documents but all Documents are not Instruments.

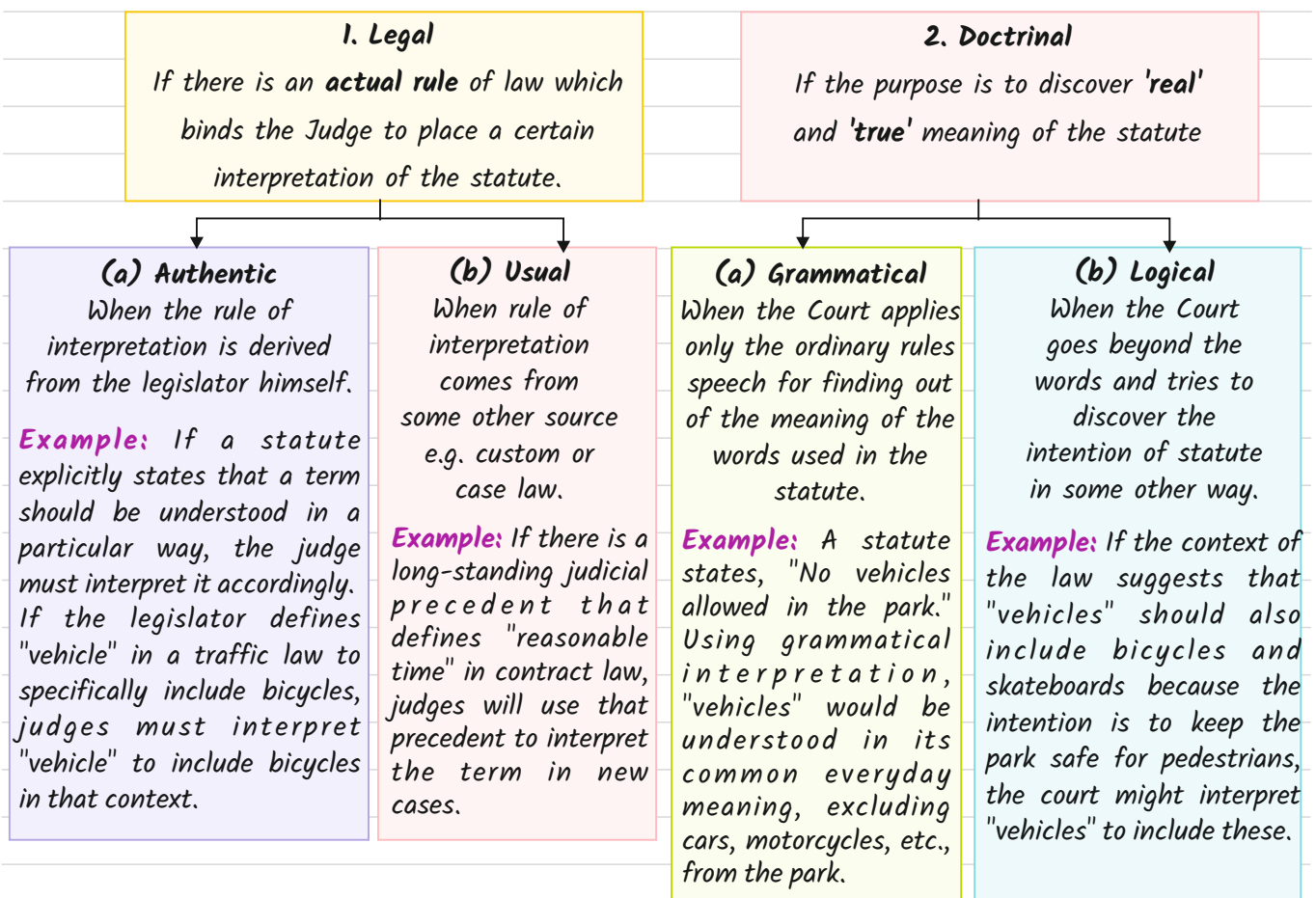
Interpretation - Meaning & Types

- Interpretation means **decoding the law** or finding out the meaning of the rules of law.
- In the words Statute means the **will of legislature**.
- The object of interpretation of a written document is to discover the intention of author.
- Interpretation is done by using two principles:
 - ⇒ Primary Principles; and
 - ⇒ Secondary Principles

Types of Interpretation:

(a) As per Jolowicz:

Types of Interpretation





b) As per Fitzgerald:

Types of Interpretation

1. Literal

This regards the verbal expression of the law conclusively and does not look beyond the 'literalis' i.e. the words and the language employed.

Example: If a law states that a person must file a tax return "by April 15," literal interpretation means that the deadline is strictly April 15, without exceptions. Even if April 15 falls on a weekend or holiday, the deadline remains unchanged.

2. Functional

This departs from the letter of the law and seek elsewhere for some other and more satisfactory evidence of the true intention of the legislature. It seeks to determine the relative claims of the letter and the spirit of the enacted law.

Example: The term "**adequate lighting**" might be taken to mean that the lighting should meet a specific number of lumens, as specified in a related technical standard or regulation.

Suppose a public library has lighting that technically meets the lumens requirement but creates dark corners where patrons feel unsafe. A functional interpretation would lead to the conclusion that, despite meeting the technical requirement, the lighting is not adequate because it fails to ensure a safe environment. Thus, additional lighting should be installed to eliminate the dark corners and enhance overall safety.

In this way, functional interpretation helps to realize the true intention of the legislation—ensuring safety—rather than just adhering to the letter of the law.

Note: In all ordinary cases, the Courts must be content to accept the letter of the law as the exclusive and conclusive evidence of the spirit of the law

Interpretation vs Construction

Particulars	Interpretation	Construction
1. Meaning	'Interpretation' is the art of finding out the true sense of any form of words, that is the sense which the author intended to convey.	'Construction' is the drawing of conclusions respecting subjects that lie beyond the direct expression of the text from elements known from and given in the text; conclusions which are in the spirit though not within the letter of the text.
2. Court's Role	Where the Court adheres to the plain meaning of the language used by the legislature, it would be 'interpretation' of the words.	Where the meaning is not plain, the Court has to decide whether the wording was meant to cover the situation before the Court, the Court would be resorting to what is called 'Construction'.



3. Example	Statutory Language: Suppose a statute says, "All vehicles must stop at a red light."	Statutory Language: Suppose a statute says, "No vehicles are allowed in the park."
	Interpretation: The court would interpret the term "vehicle" according to its ordinary meaning, which includes cars, motorcycles, trucks, etc. If a driver of a car runs a red light, the court would simply apply the plain meaning of the statute and hold the driver liable for not stopping at the red light.	Ambiguity: The term "vehicle" is not clearly defined, and it is unclear whether it includes bicycles, skateboards, or electric scooters. Construction: The court would look beyond the literal words to determine the legislative intent. If the purpose of the statute is to ensure pedestrian safety and tranquility in the park, the court might conclude that "vehicle" includes bicycles, skateboards, and electric scooters, even if these are not explicitly mentioned. The court is thus construing the statute to cover the intended situation in the spirit of the law.

The two terms 'Interpretation' and 'Construction' are used interchangeably to denote a process adopted by the Courts to ascertain the meaning of the legislative form in which it is expressed, even though these two terms have different connotations.

In practice construction includes interpretation and the terms are frequently used synonymously.

NEED FOR INTERPRETATION / CONSTRUCTION

- Ambiguities of language:** The enacted Laws are drafted by legal experts, but they are expressed in language. No language is so perfect as to leave no ambiguities. The English language is not an instrument of mathematical precision.
- Legislative intent:**
 - A statute is an edict of the legislature. The intent of the legislature has to be gathered not only from the language but also from the surrounding circumstances that prevailed at the time when that particular law was enacted.
 - The Courts have to work on the constructive task of finding the intention of Parliament, not only from the language of the statute, but also from a consideration of the social condition which gave rise to it, and of the mischief which it was passed to remedy, and then the Court must supplement the written word so as to give 'force and life', to the intention of the legislature.
- Multiple Interpretations:**
 - The purpose of interpretation is to discern the intention which is conveyed either expressly or impliedly by the language used.
 - If any provision of the statute is open to two interpretations, the Court has to choose that interpretation which represents the true intention of the legislature.



(c) If the intention is express, then the task is 'verbal construction' alone. But if the intention is not so express or apparent, then the interpreter has to determine it by inference based on certain legal principles. In such a case, the interpretation has to be one which is commensurate with the public benefit.

4. **Manifold situations:** It is not within human powers to foresee the manifold set of facts which may arise in the future and even if it were so it is not possible to provide for them in terms free from all ambiguity.

DUTIES OF COURT

1. **Law is ultimate authority:** A Statute is enforceable at law, howsoever unreasonable it may be. The duty of the Court is to administer the law as it stands. It is not within its jurisdiction to see whether the law is just or unreasonable. Until it is altered or modified or amended, the Court has no choice but to enforce the law as it is.
2. **Grammatical vs. Logical:** Generally, the Court cannot take from or add to modify the letter of the law and hence 'Grammatical Interpretation' is usually followed. This is based on the principle of *absoluta sententia expositore non indiget* meaning "clear words need no explanation."
But, this rule is subject to the following exceptions -
 - (a) Where the letter of the law is logically defective on account of ambiguity, inconsistency or incompleteness - the Court has to travel beyond the letter of the law so as to determine from, the other sources the true intention and spirit of the legislature / law.
 - (b) Where the text leads to a result which is so unreasonable that it is self-evident that the legislature could not mean what it says, the Court may resolve such impasse by inferring logically the intention of the legislature.
3. **Arora vs State of UP:** However, if there are two possible constructions of a clause, one a mere mechanical construction based on the rules of grammar, and the other which emerges from the setting in which the clause appears, and the circumstances in which it came to be enacted and also the words used therein, the Courts may prefer the second construction, which though may not be literal, may be a better one.

Rules of Interpretation / Construction

PRIMARY RULES	SECONDARY RULES
1. Rule of Literal Construction. 2. Rule of Reasonable Construction. 3. Rule of Harmonious Construction. 4. Mischief Rule or Heydon's Rule 5. Rule of Beneficial Construction. 6. Rule of Exceptional Construction. 7. Rule of Ejusdem Generis.	1. Doctrine of Noscitur a Sociis - Effect of Usage and Custom. 2. Doctrine of Contemporanea Expositio - Interpretation of Associated Words in a common-sense manner.



Primary Rules

Rule of Literal Construction

- ⇒ When the language of the statute is **plain and unambiguous** and admits of only one meaning, no question of construction of a statute arises, for the Act speaks for itself. The meaning must be collected from the expressed intention of the legislature.
- ⇒ **Example:** Let's consider a traffic law that states, "Speed limit: 50 miles per hour." Here, the meaning is clear and doesn't require any further interpretation. If a driver is caught driving at 60 miles per hour in that zone, they have violated the law.
- ⇒ A word which has a definite and clear meaning should be interpreted with that meaning only, irrespective of its consequences.
- ⇒ It can also be stated that the **objective of this principle is to discover the true intention of letters of law** in its natural and ordinary sense.
- ⇒ **Conclusion:** Rule of literal construction can be concluded as a rule which allows an interpreter to flow down along with the flow of language of law
- ⇒ This rule can also be termed as **golden rule of interpretation**.
- ⇒ **Natural and grammatical meaning:** Statutes 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]**
- ⇒ **Example:** In a question before the court whether the sale of betel leaves was subject to sales tax. The Supreme Court held that betel leaves could not be given the dictionary, technical or botanical meaning when the ordinary and natural meaning is clear and unambiguous. Being the word of everyday use, it must be understood in its popular sense by which people are conversant with it as also the meaning which the statute dealing with the matter would attribute to it. Therefore, the sale of betel leaves was liable to sale tax. **(Ramavtar v. Assistant Sales Tax Officer)**

Rule of Reasonable Construction

- ⇒ The maximum **Ut Res Magis Valeat Quam Pareat** i.e., the rule of reasonable construction implies that Statute must be constructed sensibly and reasonably.
- ⇒ Rule of reasonable construction is the second important rule of interpretation laid after literal construction.
- ⇒ This rule states that where *littera legis* i.e. **letter of law is ambiguous and an interpreter is not able to discover the intention of law** by application of ordinary and grammatical meaning to such words.
- ⇒ Then the meaning of such ambiguous term can reasonably be constructed by an interpreter while being cautious i.e. reasonable meaning within the ambit (limit) of such original term.
- ⇒ **Example:** Suppose there's a statute that states, "**No vehicles allowed in the park.**" However, the term "vehicles" is not defined in the statute. Here, the literal interpretation might lead to uncertainty because **it's**



unclear whether bicycles, wheelchairs, or strollers are included in the term "vehicles."

In such a scenario, the rule of reasonable construction comes into play. Interpreters would need to consider the context, purpose, and intent of the law to determine a sensible interpretation. **They may conclude that the primary concern of the statute is to prevent motor vehicles from damaging park grounds or posing a danger to pedestrians.**

- ⇒ **Example: "No pets allowed in the swimming pool."** One day, **a resident tries to bring their pet goldfish** to the community swimming pool in a small, portable fishbowl.

Now, the literal interpretation of the law might suggest that even a tiny goldfish in a bowl is prohibited from entering the swimming pool. **However, applying the rule of reasonable construction, the intent behind the law becomes evident: to prevent larger animals like dogs and cats from causing disturbances or hygiene issues in the pool.**

The pool manager, using the rule of reasonable construction, **might allow the resident to bring their pet goldfish into the pool area**, considering that it poses no threat to cleanliness or safety. This interpretation maintains the spirit of the law while acknowledging the absurdity of applying it strictly to a harmless fish.

- ⇒ This principle is contained in the Latin maxim, **Interpretatio fienda est ut res magis valeat quam pereat**. In short, Statutes should be construed grammatically.

Rule of Harmonious Construction

- ⇒ Where in an enactment there are **two provisions which can't be reconciled** with each other it should be so interpreted possibly to give effect to both laws.
- ⇒ Rule of Harmonious construction states that if there are two or more laws on same issue and such laws are **contradictory in nature**, then if application of first law is adopted then it shall make the other law redundant where as if second law is constructed then it shall make the former law useless and ineffective, under such circumstances a good interpreter must give such meaning to both the laws which shall make both the laws valid and effective.
- ⇒ **Essentials** of Harmonious Construction
 - Two or more laws
 - Such laws on same issue
 - Contradictory in nature
 - To be constructed harmoniously
- ⇒ A specific rule will override a general rule. This principle is usually expressed by the maxim, "generalia specialibus non derogant"
- ⇒ **Example:** Section 53 of the Companies Act, 2013 (Act) prohibits the issue of Shares at Discount whereas Section 54 of the Act states that Sweat Equity Shares can be issued by the Company at a price lesser than



the face value of Shares. Thus, as per Rule of **Harmonious Construction** - Company cannot issue Shares at Discount except for Sweat Equity Shares.

- ⇒ In **some cases**, the **statute may give a clear indication** as to which provision is subservient and which overrides. This is done by the use of the terms "**subject to**" "**notwithstanding**" and "**without prejudice**".
- ⇒ **Example:** Section 13(2) of the Companies Act, 2013, "Any change in the name of a company shall be **subject to the provisions** of sub-sections (2) and (3) of section 4 and shall not have effect except with the approval of the Central Government in writing."
- ⇒ **Example:** Section 4(3) of the Companies Act, 2013, "**Without prejudice** to the provisions of sub-section (2), a company shall not be registered with a name which contains...."

Mischief Rule or Heydon's Rule

Heydon's Rule is the **oldest rule of interpretation** and was laid down in the years 1584. This rule states that if interpreter is not able to derive true intention of law by the application of other rules, then this rule can be used as a last resort.

Heydon's Rule emphasises on:

- ⇒ What was the mischief to be cured in past
- ⇒ What was the intention of law maker and
- ⇒ how was it framed
- ⇒ Was enactment of law able to suppress such wrong or Mischief

Conclusion: - Mischief rule was laid down by Heydon to be used under exceptional circumstances by an interpreter and to avoid its usage where intention of law is specific, clear and certain. Where law is clear and can have only one meaning this rule shall not be applied.

Example: Smith v Hughes (1960) The Street Offences Act 1959 made it a criminal offence for a prostitute to solicit potential customers in a street or public place. In this case, the prostitute was not actually in the street, but was sitting in a house, on the first floor, and tapping on the window to attract the attention of the men walking by. The judge decided that the aim of the Act was to enable people to walk along the street without being solicited, and since the soliciting in question was aimed at people in the street, even though the prostitute was not in the street herself, the Act should be interpreted to include this activity.

Rule of Beneficial Construction

This is strictly speaking not a rule but a method of interpreting a provision liberally so as to give effect to the declared intention of the legislation. Beneficial construction will be given to a statute, which brings into effect provisions for improving the conditions of certain classes of people who are under privileged or who have not been treated fairly in the past. In such cases it is permissible to give an extended meaning to words or clauses in



enactments. But this can only be done when two constructions are reasonably possible and not when the words in a statute are quite unequivocal.

Example: Imagine there's a law enacted to provide financial assistance to "**students from disadvantaged backgrounds.**" However, the law does not specifically define what constitutes a "disadvantaged background."

Now, under a strict literal interpretation, only students from extremely impoverished families might be eligible for assistance, excluding those facing other forms of disadvantage, such as discrimination, disabilities, or lack of educational resources.

However, applying the principle of beneficial construction, the courts or authorities might interpret "disadvantaged background" liberally to include a broader range of circumstances beyond just financial hardship. They may consider factors like socio-economic status, educational opportunities, cultural barriers, or historical injustices.

However, it's important to note that this liberal interpretation is only permissible when there is ambiguity in the language of the statute and when it serves the underlying purpose of the legislation. If the words of the statute are clear and unequivocal, then there's no room for such liberal interpretation.

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'.

a) **Conjunctive and Disjunctive Words 'or' 'and.'**

- (a) '**OR**' is normally considered disjunctive and '**AND**' is normally regarded conjunctive.
- (b) However, in certain situations they may have to be 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.
- (c) In such special situation, '**AND**' may be read for '**OR**' and '**OR**' for '**AND**' even though the result of so modifying the words is less favorable to the subject, provided that the intention of the legislature is otherwise quite clear.

Example with Case Law: R V. Oakes (1959)

In the Official Secrets Act, 1920, as per section 7 any person who attempts to commit any offence under the principal Act or this Act, or solicits or incites or endeavours to persuade another person to commit an offence, or aids or abets **and** does any act preparatory to the commission of an offence'. Here, the word **and** in bold is to be read as **or** **reading and as and will result in unintelligible and absurd sense and against the clear intention of the Legislature.**



b) 'May' and 'Shall': The word '**shall**' is used to raise a presumption of something which is **mandatory** or imperative while the word '**may**' is used to connote something which **is not mandatory but is only directory** or enabling. Hence, while interpreting any provision of law, the words "shall" and "may" have to be given utmost importance to understand what is mandatory and what is optional or directory under law.

Example (1): Section 3 of the Companies Act, 2013 states that 'A company may be formed for any lawful purpose'. Here the word used "may" shall be read as "shall".

Example (2): Section 21 of the Companies Act, 2013, provides that documents/proceeding requiring authentication or the contracts made by or on behalf of the company may be signed by any Key Managerial Personnel an officer of the company duly authorised by the Board in this behalf.

Here the word used 'may' shall be read as 'may'.

Rule of Ejusdem Generis

This rule states that there are **various general words** which are used in framing of different laws, such **general words are given after specific words**, then such general words shall derive its meaning and sense from the specific words after which it has been mentioned.

Example: Where an Act permits keeping of dogs, cats, cows, buffaloes and other animals, the expression 'other animals' would not include wild animals like lions and tigers, but would mean only domesticated animals like horses, etc.

Example: Sec 2(13) of companies Act, 2013 states definition of books of accounts "Books of accounts, etc."

There words etc. shall be interpreted with the meaning of accounts and shall include all registers pertaining to accounting transaction.

Example: Register of wages, Petty cash book but does not include Minutes Books, Proxies Books,

- Mr. X went to Jaipur and saw Amber Fort, City Palace, etc., etc. shall be interpreted for the places located in Jaipur only.



SECONDARY RULES

Noscitur a Sociis

- Noscitur a Sociis means **"a word is known by its associates"**
- This rule states that if under any law there are two or more specific words and one of the specific word is ambiguous and makes the interpretation of law redundant
- Then such ambiguous specific words shall lose its identity and shall derive its meaning from the other words surrounding.

Example: "Plant and Machinery". Plant is a specific word with no meaning of its own and is dependent upon the meaning derived from Machinery.

Example: Suppose there's a law that **prohibits the possession of "firearms, weapons, or dangerous instruments"** in a certain area. Now, let's say someone challenges the meaning of **"dangerous instruments,"** arguing that it's too vague and could encompass a wide range of items.

In applying the principle of Noscitur a Sociis, we look at the words that accompany "dangerous instruments" to discern its meaning. In this case, the terms **"firearms" and "weapons"** provide context for understanding what might be considered a **"dangerous instrument."** Firearms and weapons are typically items designed to cause harm or injury, such as guns, knives, or explosives.

Based on this association, we can reasonably interpret "dangerous instruments" to refer to objects that pose a similar level of risk or danger as firearms or weapons. This might **include items like explosives, hazardous chemicals, or certain tools used for criminal purposes.**

Doctrine of Contemporanea Expositio

- The rule of Contemporanea Expositio states that only such meaning shall be provided to the words of law which has been given by Contemporanea authority.
- The best way to interpret the Law is to read it as it would have been read when made.
- **Example:** Suppose there's a constitutional provision that guarantees **"the right to bear arms."** This provision was written in the 18th century when the United States Constitution was drafted.
- In applying the rule of Contemporanea Expositio to interpret this provision, we would examine how the phrase **"the right to bear arms"** was understood at the time of its enactment. Historical sources such as writings by the framers of the Constitution, debates from the Constitutional Convention, and legal commentaries from that era would provide insight into the original intent behind the provision.
- During the late 18th century, the phrase **"the right to bear arms"** was commonly associated with the individual right to own and carry firearms for self-defense, hunting, and militia service. This



understanding is supported by contemporaneous documents like the Federalist Papers, which discuss the importance of an armed citizenry as a check against tyranny.

- ➔ Therefore, applying the rule of *Contemporanea Expositio*, **we interpret the constitutional provision as guaranteeing individuals the right to possess firearms for lawful purposes**, consistent with the understanding of the phrase at the time of its adoption.

Optima Legum interpres est consuetudo

The custom is the best interpreter of the law

For Example: Hundi is a Negotiable Instrument not recognized by law but accepted by the Indian Judiciary on the basis of customs and traditions of the society within which the business sustains.

Interpretation of "Subject to", "Without prejudice" and "Notwithstanding"

1. The word "**notwithstanding anything contained**" signifies the non-obstante clause. It is generally included to give an overriding effect to that particular clause, over the other clauses. In case of any inconsistency or departure between the non-obstante clause and another provision, the non-obstante clause will prevail. **[K Parasuramaiah vs Pakari Lakshmar]**
2. The impact of the words "**subject to**" when used in a provision is that when the same subject matter is covered by that provision and by another provision or enactment subject to which it operates and there is a conflict between them, then the latter will prevail over the former. This limitation cannot operate, when the subject matter of the two provisions is not the same. Thus, a clause that uses the words "subject to" is subservient to another.

This implies that the any change in the name of the company has to in accordance with the provisions of the section 4(2) and section 4(3) of the Companies Act, 2013.
3. The words "**without prejudice**" are used to indicate that when that expression is used, anything contained in the provisions following that expression is not intended to cut down the generality of the preceding provision.

Internal aids of Interpretations

1. Long Title

The long title is set out at the head of the statute and gives a **fairly full description of the general purpose, object and scope of the Act**. It is now settled that the long title of an Act is the part of the Act and it is legitimate to use it for the purpose of interpreting the Act as a whole.

Example with Case Law: *Aswini Kumor Ghose v Arabindo Bose (1952)*

Full title of the **Supreme Court Advocates (Practice in High Courts) Act 1951** specify that this is an Act



to **authorize Advocates of the Supreme court to practice as of right in any High Court'** So 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'

Suppose there's a statute titled "The Environmental Protection Act." The long title of this Act might read as follows: "An Act to protect and preserve the environment, regulate pollution, and promote sustainable development for the health and welfare of present and future generations."

In this example, the long title provides a clear overview of the Act's main objectives, which include protecting the environment, regulating pollution, and promoting sustainable development. It sets the tone for the entire Act and helps readers understand the overarching goals that the legislature seeks to achieve through the law.

2. Preamble

Every Act has a preamble which expresses the scope, object and purpose of the Act.

It is the **main source for understanding** the intention of lawmaker behind the Act.

Whenever **there is ambiguity in understanding** any provision of Act, Preamble is accepted as an aid to construction of the Act.

The Preamble of a Statute is a part of the enactment and can legitimately be used for Construing it.

However, **Preamble cannot override** the provisions of the enactment.

Example: Use of the word 'may' in section 5 of the Hindu Marriage Act, 1955 provides that **"a marriage may be solemnized between two Hindus....."** has been construed to be mandatory in the sense that **both parties to the marriage must be Hindus as defined in section 2 of the Act.** It was held that a **marriage between a Christian male and a Hindu female solemnized under the Hindu Marriage Act was void.** This result was reached also having regard to the preamble of the Act which reads: 'An Act to amend and codify the law relating to marriage among Hindus' [Gullipoli Sowria Raj v. Bandaru Pavani]

3. Heading and Title of a Chapter

The headings of different portions of a Statute can be referred to determine the sense of any doubtful expression in a section ranged under any particular heading.

They **cannot control the plain meaning of the words** of the enactment though, they may, **in some cases be looked at in the light of preamble** if there is any ambiguity in the meaning of the sections on which they can throw light.

It may be noted that headings may sometimes be referred to know the scope of a section in the same way as the preamble.



But a **heading cannot control or override a section.** (Official assignee v. chuni ram)

Example: Imagine there's a statute titled "**The Animal Welfare Act,**" and within it, there's a **chapter** titled "**Regulation of Animal Housing Conditions.**" Under this chapter, there's a **section** titled "**Minimum Cage Size for Caged Animals.**"

Now, suppose there's a dispute over the interpretation of the term "**cage**" within the section. One party argues that the term should be broadly construed to **include all types of enclosures**, while another party contends that it should **only apply to traditional wire cages.**

In resolving the dispute, a court may consider the heading and title of the chapter, "**Regulation of Animal Housing Conditions,**" to gain insight into the broader context and purpose of the section. The **court may reasonably infer that the section aims to establish standards for housing conditions that promote animal welfare.**

However, if the language of the section itself is clear and unambiguous, the heading and title cannot alter its plain meaning. For instance, if the section explicitly defines "cage" as a wire enclosure meeting specific dimensions, the court must adhere to that definition regardless of the broader context provided by the chapter heading.

4. **Marginal Notes**

Marginal notes are summaries and side notes often found at the side of a section or group of sections in an Act, purporting to sum up the effect of that section or sections.

They are not a part of the enactment, for they were not present when the Act was passed in Parliament but inserted after the Act has been so passed.

Hence, they are not an aid to construction.

Suppose there's a statute titled "The Workplace Safety Act," and within it, there's a section concerning requirements for providing safety equipment to employees working in hazardous environments. At the side of this section, there's a marginal note that reads "Safety Helmets Required in Construction Zones."

Now, imagine a scenario where a construction **worker is injured while working in a designated construction zone**, and there's a dispute over whether the employer fulfilled their obligation to provide safety helmets as required by the statute.

During legal proceedings, one party argues that the marginal note clearly indicates that safety helmets are required in construction zones, and therefore, the employer should be held liable for failing to provide them.



However, the **court would not consider the marginal note as determinative of the legal requirement.** Instead, the court would examine the language of the actual statutory text to determine whether it explicitly mandates the provision of safety helmets in construction zones.

If the **statute's language clearly states that safety helmets are required in all hazardous work environments, including construction zones,** then the court would hold the employer responsible for not providing the necessary safety equipment, regardless of what the marginal note suggests.

5. **Definitional Sections/ Interpretation Clauses**

When a **word or phrase 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. **This is called an exhaustive definition.** The Court cannot ignore an exhaustive 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.

Construction of definitions may be understood under the following headings:

- (i) Restrictive and extensive definitions
- (ii) Ambiguous definitions
- (iii) Definitions subject to a contrary context

Restrictive and extensive definitions: The definition of a word or expression in the definition section may either be restricting of its ordinary meaning or may be extensive of the same.

When a word is defined to **'mean'** such and such, the definition is 'prima facie' restrictive and exhaustive we must restrict the meaning of the word to that given in the definition section.

But where the word is defined to **'include'** such and such, the definition is **'prima facie'** extensive: here the word defined is not restricted to the meaning assigned to it but has extensive meaning which also includes the meaning assigned to it in the definition section.

We may also find a word being defined as **'means and includes'** such and such. In this case, the definition would be exhaustive.



On the other hand, if the word is defined '**to apply to and include**', the definition is understood as extensive.

Example: The usage of word 'any' in the definition connotes extension for 'any' is a word of every wide meaning and prima facie the use of it excludes limitation.

Example: Inclusive definition of lease given under section 2(16)(c) of the Stamp Act, 1899 has been widely construed to cover transaction for the purpose of Stamp Act which may not amount to a lease under section 105 of the Transfer of property Act, 1882.

Example: Section 2(m) of the Consumer Protection Act, 1986 contains an inclusive definition of 'person'. It has been held to include a 'company' although it is not specifically named therein [Karnataka Power Transmission Corporation v. Ashok Iron Works Pvt. Ltd.]

A definition section may also be worded as 'is deemed to include' which again is an inclusive or extensive definition as such a words are used to bring in by a legal fiction something within the word defined which according to its ordinary meaning is not included within it.

Example: If A is deemed to be B, compliance with A is in law compliance with B and contravention of A is in law contravention of B.

6. Illustrations

We would find that many, though not all, sections have illustrations appended to them. These illustrations follow the text of the Sections and, therefore, do not form a part of the Sections. However, illustrations do form a part of the statute and are considered to be of relevance and value in construing the text of the sections. However, illustrations cannot have the effect of modifying the language of the section and can neither curtail nor expand the ambit of the section.

7. Proviso

The normal function of a proviso is to except something out of the enactment or to qualify something stated in the enactment which would be within its purview if the proviso were not there. Usually, a proviso is embedded in the main body of the section and becomes an integral part of it. Provisos that are so included begin with the words, "provided that". The effect of the proviso is to qualify the preceding enactment which is expressed in terms which are too general. As a general rule, a proviso is added to an enactment to qualify or create an exception to what is in the enactment. Ordinarily a proviso is not interpreted as stating a general rule.



Difference between Proviso, Exception and Saving Clause

Exception: It is intended to restrain the enacting clause to particular cases.

Proviso: it is used to remove special cases from general enactment and provide for them specially.

Saving clause: It is used to preserve from destruction certain rights, remedies or privileges already existing.

8. Explanation

An explanation is, at times, appended to a section to explain the meaning of words contained in the section. It becomes the part and parcel of an enactment;

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 harmonies with and clear up any ambiguity in the main section. It should not be so construed as to widen the ambit of the section.

Example 1: Section 96(2) of the Companies Act, 2013, states about every AGM should be any day that is not a **National Holiday** and Explanation to its Sub-Section (2) states that for the Purpose of this Sub-Section, **“National Holiday” means and includes a days declared as National Holiday by the Central Government.**

Example 2: Section 139 of the Companies Act, 2013, states about Appointment of Auditors and Explanation to its Sub-Section (1) states that for the Purpose of the Chapter Audit & Auditors, **'Appointment includes Reappointment'**

9. Schedules

The schedules form a part of the statute and must be read together with it for the purpose of construction.

They often contain details and forms for working out the policy underlying the sections of the statute for example schedules appended to the Companies Act, 2013. List of Schedules under Companies Act, 2013 is given below:

1. Schedule I: Specimen MOA & AOA;
2. Schedule II: Depreciation;
3. Schedule III: General instructions for preparation of Balance Sheet & Statement of Profit & Loss;
4. Schedule IV: Code for Independent Directors;
5. Schedule V: Appointment & Remuneration of Managerial Personnels;
6. Schedule VI: Infrastructural Projects;
7. Schedule VII: Activities to be included by Companies in its Corporate Social Responsibility Policy.

10. Statute to be read as a whole: A Statute is to be made of all its parts taken together and not of one part only. The Act must be read as a whole in order to ascertain the true meaning of its several sections, and the words of each section should be so interpreted as to bring them into harmony with other provisions - if that interpretation does not violence to the meaning of which they are naturally susceptible.

Example: If one section of an Act requires 'notice' should be given, then a verbal notice would generally be sufficient. But, if another section provides that 'notice' should be 'served' on the person or 'left' with him, or in a particular manner or place, then it would obviously indicate that a written notice was intended.



EXTERNAL AIDS TO INTERPRETATION/ CONSTRUCTION

1. Historical Setting

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.

2. 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.

3. 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.

Example: Imagine there's a statute titled "**The Public Parks Act,**" which governs the use and maintenance of public parks within a city. One of the provisions within this Act states:

"No person shall bring pets into the public parks."

Now, suppose there's a **legal dispute** over whether the term "**pets**" includes **service animals such as guide dogs for individuals with visual impairments**.

In interpreting this provision, **the court may consider the usage or historical practice surrounding the enforcement of this rule**. If, over a long period, service animals have been allowed in public parks without objection or enforcement actions, this usage may provide insight into the intended meaning of the term "pets" within the statute.

For example, **if local authorities have consistently permitted individuals with service animals to enter public parks without issue, it suggests that the term "pets" was not intended to encompass service animals under the Act**. Instead, the term may have been understood and applied in a manner consistent with common usage, **referring to domesticated animals kept for companionship rather than service animals performing specific tasks for individuals with disabilities**.

4. Earlier & Later Acts and Analogous Acts

It has already been established that reference to other statutes in "Parimateria" i.e., statutes dealing with the same subject matter, is permitted. Interpret other laws dealing with the same subject.



5. Dictionary Definitions

When a word is not defined in the Act itself, it is permissible to refer to dictionaries to find out the general sense in which that word is understood in common parlance.

Example: Suppose there's a statute titled "The Clean Air Act," which aims to regulate air quality and reduce pollution levels in a city. Within this Act, there's a provision that prohibits "**noxious emissions**" from industrial facilities.

For example, if the term "noxious" is commonly defined in dictionaries as "harmful, injurious, or offensive to health or morals," the court may use this definition to determine whether the substance emitted by the factory meets the criteria for being considered a "noxious emission" under the Act.

6. 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.

Interpretation / Construction of Deeds and Documents

The general considerations in the interpretation / construction of Deeds and Documents are -

1. **Comprehensive view:** 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.
2. **Reasonable Construction:** 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 intent, would understand by the words used in that deed or document.
3. **Self Contained:** The Document should be construed as self-contained in respect of its terms and conditions. It is inexpedient to construe the terms of one deed by reference to the terms of another.
4. **Meaning of same word:** The same word cannot have two different meanings in the same document unless the context compels the adoption of such a rule.
5. **Intention of Parties:** The intention of the parties to the instrument should be considered as a whole, after considering all the words in the document. The circumstances in which the particular words had been used should also be taken into account.
6. **Status and Background of Parties:** Sometimes, the status and training of the parties using the words should also be considered as the same words may be used in more than one sense. It may happen that the same word understood in one sense will give effect to all the clauses in the deed while taken in another sense might render one or more of the clauses ineffective. In such a case the word should be understood in the former and not the latter sense.



7. **Conflicting Clauses:** Where there is a 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 will over-ride the latter one**. Similarly, if one part of the document is in conflict with another part, an attempt should be made to read the two parts of the document harmoniously, if possible. In case the conflict persists, the earlier part / clause will over-ride the latter one.