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2026 INSC 1286

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 410 OF 2023

THE STATE OF UTTAR PRADESH ...APPELLANT(S)

VERSUS

NOIDA POWER COMPANY LIMITED & ANR. …RESPONDENT(S)

With

CIVIL APPEAL NO. 8979 OF 2024

With

CIVIL APPEAL NOS. 8980-8982 OF 2024

J U D G M E N T

1. Licences granted for the transmission, trading or distribution of electricity under Sections 14 and 15 of the Electricity Act, 2003 ('2003 Act') continue to be in force for a period of 25 years unless revoked.[1] Licences granted under the repealed Electricity Act, 1910 ('1910 Act') and

[1] *See*, Electricity Act 2003, s 15(8):
"*A licence shall continue to be in force for a period of twenty-five years unless such licence is revoked*."

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continuing to subsist even after the coming into force of the 2003 Act with effect from 10.06.2003 are deemed to be licences under the 2003 Act, with its provisions applying after one year or such earlier period as specified by the Appropriate Commission.[2]

2. The important question for our consideration is whether such a deemed licensee can avail a fresh licence term of 25 years from the date of commencement of the 2003 Act regardless of the original terms and tenure of licence concerned. By the judgment impugned before us,[3] the Appellate Tribunal for Electricity ('APTEL'), interpreting Sections 14 and 15 of the 2003 Act, has answered the question in the affirmative. For the reasons to follow, we disagree with the interpretation and decision of the APTEL, allow the Civil Appeals in part, set aside the impugned judgment, and direct the continuation of the licence-holder's licence term till 09.06.2029, till this Court resolves broader questions of law implicated in this matter.

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[2] *See*, Electricity Act 2003, s 14, first proviso:

> "*Provided that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business.*"

[3] Appeal No. 72 of 2021, reported as *Noida Power Company Limited v Uttar Pradesh Electricity Regulatory Commission*, 2022 SCC OnLine APTEL 73.

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3. The facts, to the extent that they are relevant for disposing of the Civil Appeals, are as follows: Respondent No. 1, Noida Power Company Limited ('NPCL'), obtained a distribution licence under the erstwhile 1910 Act on 30.08.1993 for a period of 30 years. That licence was to expire by 30.08.2023. During the subsistence of the original licence, the 2003 Act came into force with effect from 10.06.2003. Under the new legal regime, the Uttar Pradesh Electricity Regulatory Commission ('UPERC') passed multiple tariff orders with respect to NPCL; in each of these orders, the UPERC recognised that NPCL's licence would expire on 30.08.2023.[4] When NPCL filed its business plan for the Multi-Year Tariff ('MYT') period of 2020-21 FY to 2024-25 FY,[5] the UPERC, by its order dated 26.11.2020, approved the business plan only till 30.08.2023, i.e., the date of expiry of the licence, and further restrained NPCL from entering into medium-term and long-term power purchase agreements beyond the licence's expiration date.

4. Challenging the UPERC's order, NPCL appealed to the APTEL. Pending disposal of the appeal, the UPERC, acting on the premise that NPCL's licence would expire on 30.08.2023, issued a notification dated 08.06.2022 inviting Expressions of Interest ('EOI') to grant a fresh licence

[4] These orders are dated 14.10.2010, 01.10.2014, 30.11.2017, and 03.09.2019. These orders were never challenged by NPCL.
[5] Business Plan Petition No. 1526 of 2019.

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for the area served by NPCL. However, on NPCL's application, the APTEL stayed further action by the UPERC and, as such, NPCL continues as a licensee till today.

5. By the judgment impugned before us, the APTEL, while rejecting NPCL's claim of perpetual deemed licence continue(ing) *to be in force for a period of twenty-five years unless revoked*, essentially reset the tenure of NPCL's licence by granting it a 1-year transitional period from 10.06.2003 (i.e., the date of commencement of the 2003 Act) under the first proviso to Section 14 of the 2003 Act and then a fresh term of 25 years under Section 15(8) of the same. This was done notwithstanding the fact that NPCL's licence was originally set to expire by 30.08.2023. Thus, under the APTEL's interpretation, NPCL's licence would now expire only by 09.06.2029.

6. The State of Uttar Pradesh and an end-consumer, Mr. Rama Shankar Awasthi, are in appeal before this Court challenging the judgment of the APTEL.

7. The position of law vis-à-vis electricity, as it relates to the issue arising for consideration, is as follows:

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7.1. The 2003 Act is a complete code for the generation, transmission, distribution, trading, and use of electricity.[6]

7.2. The transmission, distribution, and trading of electricity are subject to licensing as provided under Part IV of the 2003 Act. The power to exempt or grant a licence is the exclusive province of the independent regulatory commissions established under the 2003 Act.

7.3. The procedure for the grant of a licence is prescribed under Section 15 of the 2003 Act. After due consideration of the application, a licence is granted under Section 14 and made subject to conditions prescribed under Sections 16 and 17. If public interest so requires or in case of default in complying with the conditions prescribed, a licence can be revoked under Section 19 and a utility could be put to sale under Section 20. Part IV of the 2003 Act also provides for the concerned commission's power to issue necessary directions to the licensee for efficient and equitable distribution of electricity and promotion of competition (Section 23). The appropriate commissions are

[6] *Southern Power Distribution Company of Andhra Pradesh Ltd v Green Infra Wind Solutions Ltd and Ors*, 2026 SCC OnLine SC 479 [15]-[17]; *State of Himachal Pradesh and Another v JSW Hydro Energy Limited and Others*, 2025 SCC OnLine SC 1460 [7]-[9].

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also granted the power to suspend the licence and sell the utility (Section 24).

7.4. Section 15 of the 2003 Act prescribes the procedure for the grant of licences, with sub-section (8) providing that a licence granted "*shall continue to be in force for a period of twenty-five years unless such licence is revoked*." The 2003 Act does not contain explicit stipulations on the renewal or extension of subsisting licences.

7.5. Upon the expiry of the licence granted, the procedure under Sections 14, 15, and 16 is to be followed for the fresh grant of a licence. Except in cases where the Appropriate Government transmits, distributes or trades in electricity or in respect of the Damodar Valley Corporation, every other licence that expires, whether a deemed licence or a licence under the 2003 Act, is required to abide by the procedure contemplated under Part IV of the 2003 Act.

8. The legislative scheme to prescribe a tenure of 25 years for the operation of a licence is intended to subserve the larger interest of ensuring that these utilities perform their duties in a manner that is conducive for the *development of the electricity industry* and protects the interest of consumers. For this purpose, the assessment of their

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performance is an important consideration for the concerned commission when (re)considering the grant of a licence after the expiry of its original tenure.

9. Perpetual licensing or virtual monopoly in the licensed area is an anathema to the planned and regulated development of this Nation's energy sector. Having permitted private enterprise to participate in the development of this Nation's electricity sector vis-à-vis generation, distribution, and transmission, it is necessary, rather compelling, that they are subjected to strict regulation. Private enterprise's performance capabilities evolve and strengthen in an atmosphere of healthy competition. This is evident from the preambular objective of the 2003 Act, which reads, "*The Act…generally for taking measures conducive to development of electricity industry, promoting competition therein*…" Therefore, once the original licence expires, competitors for the grant of a fresh licence will be considered and the appropriate commission will take an informed decision about selecting the most eligible licensee.

10. Sections 15(8) of the 2003 Act, which provides that, "*a licence shall continue to be in force for a period of twenty-five years unless such licence is revoked*", cannot be interpreted to mean that a licence once granted shall continue in perpetuity till revoked. Neither the plain text, the context, nor the intendment of the legislation permits such an interpretation.

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Equally, there is no scope for holding that upon the expiry of the original period of the licence under the 2003 Act, a deemed licensee shall be entitled to a fresh term of 25 years from the date of the commencement of the Act.

11. During the pendency of these Civil Appeals, there has been a development. The Central Government has amended the Electricity Rules, 2005 vide the Electricity (Amendment) Rules, 2023, with effect from 30.06.2023. Rules 4A, 4B, and 4C have been inserted. These Rules are extracted hereinbelow for ready reference:

> "*4A. Where any entity has been granted licence under Section 14 of the Act, the period of the licence shall be in accordance with the terms and conditions of the licence granted by the Appropriate Commission.*
>
> *4B. Where an entity is a deemed licensee under the first, second and fifth proviso to Section 14 of the Act, the period of the licence shall be twenty-five years from the date of the coming into force of the Act.*
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> *4C. The licence granted by the Appropriate Commission under Section 14 of the Act and the deemed licence under first, second and fifth proviso to said Section 14 shall be deemed to be renewed unless the same is revoked:*
> *Provided that such renewal, shall be for a period of twenty-five years at a time or for a lesser period, if requested by the licensee:*
>
> *Provided further that where the Appropriate Commission has renewed the licence for a particular period before the notification of these rules, the licence shall be deemed to be renewed for that particular period under these rules.*
> *Provided also that this rule shall not apply to the licence granted to transmission developers, selected through tariff based bidding, under Section 63 of the Act*."

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12. The impugned judgment was passed on 23.08.2022. As such, neither the UPERC nor the APTEL had the occasion to examine these new Rules. In our view, the Central Government's understanding of the mandate of the 2003 Act, insofar as deemed licensees are concerned, as reflected in these Rules, is not in alignment with the interpretation of the 2003 Act we have adopted. However, it is made clear that these new Rules have not been directly challenged before us in the present proceedings. Moreover, we have not had the opportunity to hear the Union of India on the *vires* of these new Rules, which is necessary if this Court is to take a view on legality of Rules 4A, 4B, and 4C.[7] In any case, we consider it necessary to clarify the legal position on interpreting subordinate legislation vis-à-vis the parent statute.

13. The task of interpretation of the laws is the exclusive domain of the judiciary.[8] It commences with the sacred duty of interpreting the Constitution and extends to Acts of Parliament and State Legislatures, transcends to subordinate legislation, and then to regulations, instructions, and even to practices having the force of law. Whichever or

[7] *See*, *Bihar Rajya Dafadar Chaukidar Panchayat (Magadh Division) v State of Bihar and Others*, 2025 SCC OnLine SC 1882 [33].
[8] *Keshavji Ravji and Co. and Others v Commissioner of Income Tax*, (1990) 2 SCC 231 [32].

wherever the instrument is, the interpretation of the same is the exclusive province of the courts.[9] The principle is aptly enunciated as:

> *"The Court has the function of authoritatively construing legislation, that is, determining its legal meaning so far as is necessary to decide a case before it. This function is exclusive to the Court, and a meaning found by any other person, for example an authorising agency, an investigating agency, an executing agency, a prosecuting agency, or even the legislature itself, except when intending to declare or amend the law, is always subject to the determination of the court.*
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> *It is usually said that the making of law, as opposed to its interpretation, is a matter for the legislature, and not for the courts, but, in so far as that legislature does not convey its intention clearly, expressly and completely, it is taken to require the court to spell out that intention where necessary. This may be done either by finding and declaring implications in the words used by the legislator, or by regarding the breadth or other obscurity of the express language as conferring a delegated legislative power to elaborate its meaning in accordance with public policy (including legal policy) and the purpose of the legislation. Whichever course is adopted, in accordance with the doctrine of precedent the court's operation influences the future legal meaning of the enactment by producing what may be called sub-rules, which are implied or expressed in the court's judgment."*[10]
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> (emphasis supplied)

14. Subordinate legislation, by its very nature, rests upon the Executive Branch's understanding of the primary statute. When a constitutional court is of the opinion that such an understanding is not in consonance with the statute, it sets it aside on the ground of *ultra vires.* This is an

[9] *Dr (Major) Meeta Sahai v State of Bihar and Others*, (2019) 20 SCC 17 [19].
[10] *Pernod Ricard India Private Limited v State of Madhya Pradesh and Others*, (2024) 8 SCC 742 [33].

important principle of judicial review which must be borne in mind before subordinate legislation is used to interpret the Act under which it is made.

15. Academic consideration of the Executive Branch's interpretation of law is in the context of *contemporanea exposito.* When courts of law were to consider the meaning of words in an earlier enactment, it was held legitimate to refer to the Executive Branch's understanding of the same as expressed in the form of decisions or rules which were contemporaneous to the statute.[11] That is one of the reasons why it is said that the principle of *contemporanea exposito* is inapplicable to modern statutes.[12] For the purposes of the present case we are not concerned with the usage of any Executive Branch interpretation, but only with the use of subordinate legislation in interpreting the principal statute. A comparative perspective may be useful in this context. For example, the position of law in the United Kingdom ('U.K.') is settled with the formulation of certain principles in *Hanlon* v. *The Law Society.*[13] To briefly illustrate the approach that British courts have taken, we will now refer to the development of law on this issue in the U.K.

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[11] *State of Tamil Nadu v Mahi Traders and Others*, (1989) 1 SCC 724 [8]-[9]*; K.P. Varghese v Income Tax Officer, Ernakulam and Another*, (1981) 4 SCC 173 [11]; *Desh Bandhu Gupta and Co. and Others v Delhi Stock Exchange Association Ltd*, (1979) 4 SCC 565 [9].

[12] *Campbell College, Belfast (Governors) v Northern Ireland Valuation Commissioner* [1964] 1 WLR 912 (UK House of Lords); *M/s Doypack Systems Pvt Ltd v Union of India and Others*, (1988) 2 SCC 299 [61].

[13] [1981] AC 124 (UK House of Lords).

16. In *In re Wier; Ex Parte Wier*,[14] it was held that subordinate legislation cannot be looked into when the parent legislation is clear. However, where the intendment of the parent legislation is ambiguous on any point, it was held that recourse may be had to the rule for constructing the Act. In *Stephens*,[15] it was observed that it is doubtful whether it is right to construe a statute by reference to regulations made under it. However, in *Britt*,[16] as the regulations that fell for consideration enabled

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[14] (1871) LR 6 Ch App 875 (Court of Appeal in Chancery):

> "*We do not think that any other section of the Act throws any material light upon the proper construction of this section, and if the question had depended upon the Act alone we should have had great doubt what the proper construction was; but we are of opinion that, where the construction of the Act is ambiguous and doubtful on any point, recourse may be had to the rules which have been made by the Lord Chancellor under the authority of the Act, and if we find that in the rules any particular construction has been put on the Act, that it is our duty to adopt and follow that construction.*"
>
> (emphasis supplied)

[15] *Stephens v Cuckfield Rural District Council* [1960] 2 QB 373 (Court of Appeal of England & Wales):

> "*In the court below Lord Parker C.J. expressed the view that the prima facie meaning of "open land" in section 33 covers operations on or user of any open land in the sense of land which is not built upon. He was to some extent influenced by the Town and Country Planning (General) Regulations, 1948, made by the Minister under section 33 of the Act, which showed that in the view of the Minister "open land" might include land upon which some business was carried on. We doubt very much whether it is right to construe the words of the section by reference to regulations made under powers therein contained, especially when such regulations are directed solely to procedural matters such as conferring rights of appeal in certain limited circumstances from an order of the local authority.*"
>
> (emphasis supplied)

[16] *Britt v Buckinghamshire City Council* [1964] 1 QB 77 (Court of Appeal of England & Wales):

> "*If that were the real process I should agree with that comment, but in this case there is a process which I have not seen anywhere else. There is a power given by the Act itself to the Minister to modify another section of the Act so that when the Minister does produce that modification (as he did in the Regulations of 1948) that regulation becomes in fact part of the Act. It is like an amending section of the Act. So that in my judgment that regulation can be referred to because it is embodied in the Act itself and, having a quasi- parliamentary validity, is a good indication of the wishes of the legislature, just as much as if it were enacted in the Act itself. I do not myself think that that aid is necessary. I should have arrived at the same conclusion without it. But if it be necessary, it is legitimate, in my judgment, to do as Lord Parker C.J. did in the Stephens case and to call upon it. It is not a question of construing an Act by subsequent regulations, in the ordinary sense of those words.*"
>
> (emphasis supplied)

amendment of the principal statute itself—this being a distinguishing factor from *Stephens*—the Court found it legitimate to use the regulations to interpret the statute. In 1980, the U.K. House of Lords in *Jackson*,[17] opined that it is not legitimate to use a rule made under the Act for construing a statute. Despite this, in *Hanlon*,[18] the U.K. House of Lords, through Lord Lowry, formulated the following principles for construing an instrument of subordinate legislation to interpret a primary statute:

> "*A study of the cases and of the leading textbooks (Craies on Statute Law, 7th ed. (1971), p. 158, Maxwell on Interpretation of Statutes, 12th ed. (1969), pp. 74-75, Halsbury's Laws of England 3rd ed., vol. 36 (1961), para 606) appears to me to warrant the formulation of the following propositions:*
> *(1) Subordinate Legislation may be used in order to construe the parent Act, but only where power is given to amend the Act by regulations or where the meaning of the Act is ambiguous.*
> *(2) Regulations made under the Act provide a Parliamentary or administrative contemporanea exposition of the Act but do not decide or control its meaning: to allow this would be*

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[17] *Jackson v Hall* [1980] AC 854 (UK House of Lords):

> "*But in my opinion it is not legitimate to use the Order as an aid to construing the Act. The question was considered by your Lordships' House in Hales v. Bolton Leathers (1951) AC 531 in relation to regulations made under the National Insurance (Industrial Injuries) Act, 1946 which were subject to a negative resolution of either house. In that case, Lord Simonds at p.539, said that he "much doubted" whether he was entitled to look to regulations for guidance on the meaning of words in the Act which they were made and Lord Norman at p.544 and Lord Oaksey at p.548 said that the words of the regulations could not control or alter the construction of the Act although Lord Oaksey added that they might be looked at as being an interpretation placed by the appropriate government department on the words of the statute. I would respectfully agree with the views of Lord Normand and Lord Oaksey and would apply them to the Order of 1976. … The Order has, in my opinion, no greater weight than if it had been made by any other minister acting under statutory authority and it merely gives effect to the views of the minister or of his department as to the effect of the Act. It ought not in my opinion to be treated by the Courts as an aid to construction of the Act.*"
>
> (emphasis supplied)

[18] *Hanlon* (n 13) 193.

> *to substitute the rule-making authority for the judges as the interpreter and would disregard the possibility that the regulation relied on was misconceived or ultra vires.*
> *(3) Regulations which are consistent with a certain interpretation of the Act tend to confirm that interpretation.*
> *(4) Where the Act provides a framework built on by contemporaneously prepared regulations, the latter may be a reliable guide to the meaning of the former.*
> *(5)The regulations are a clear guide, and may be decisive, when they are made in pursuance of a power to modify the Act, particularly if they come into operation on the same day as the Act which they modify.*
> *(6) Clear guidance may also be obtained from regulations which are to have effect as if enacted in the parent Act.*
> *The affirmative aspect of proposition (2) is strongly supported by the observations of Mellish L.J. in In re Wier, Ex parte Wier (1871) L.R. 6 Ch.App. 875, 879 (which indeed seem to go further than I should like to do, having regard to the warning of Upjohn L.J. in Stephens v. Cuckfield Rural District Council [1960] 2 Q.B. 373, 381: see also Mills v. Mills [1963] P. 329, per Diplock L. J., at p. 336).*"

17. The principles laid down in *Hanlon* hold the field as of today. In *British Amusement*,[19] *Deposit Protection Board*,[20] and in the U.K. House of Lords' decision in *Raguz*,[21] the law laid down in *Hanlon* was followed.

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[19] *British Amusement Catering Trades Association v Westminster City Council* [1989] 1 AC 47 (UK House of Lords).

[20] *Deposit Protection Board v Barclays Bank PLC* [1994] 2 AC 367, 397:

> "*It was made pursuant to section 7 of the Banking Act 1987 which permits the Treasury by order to amend the meaning of "deposit." Mr. Brindle submits that the Vice-Chancellor erred in regarding the Order as an aid to construction of the Act itself. This is not, he points out, a case like Britt v. Buckinghamshire County Council [1964] 1 Q.B. 77 and Hanlon v. The Law Society [1981] A.C. 124 where the regulations relied upon were contemporary with the parent Act and, as Lord Lowry put it in Hanlon, at p. 193H, constituted a contemporanea expositio, providing a legitimate aid to construction on that basis…The Order of 1991 would be otiose if "deposit" bore the board's meaning. The court may have regard to subordinate legislation in construing an expression in a statute which is capable of more than one meaning, especially where the subordinate legislation is made subject to negative resolution: Britt v. Buckinghamshire County Council [1964] 1 Q.B. r 77; Hanlon v. The Law Society [1981] A.C. 124 and Kirkness v. John Hudson & Co. Ltd. [1955] A.C. 696.*"
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> (emphasis supplied)

[21] *Scottish & Newcastle Plc v Raguz* [2008] UKHL 65 (UK House of Lords).

In *Mitsui Sumitomo*,[22] the Court of Appeal reiterated the principles laid down in *Hanlon***.** The U.K. Supreme Court in *Director of Establishments of Security Service*,[23] and in appeal against the Court of Appeal in *Mitsui Sumitomo*[24] itself, upheld the law on the point. The gist of the formulation in *Hanlon* is that subordinate legislation may be used to interpret primary legislation when the text of the latter is unclear. However, it does not decide or control the meaning. If allowed to do so, such an exercise would substitute the rule-making authority for the judiciary as the interpreter and would also disregard the possibility that the rule could be misconceived or *ultra vires*.

18. Coming to Indian precedents on the subject, the earliest ruling on the question is *J.K. Steel Ltd.* v. *Union of India and Others*,[25] where this Court, after reviewing English cases and having referred to the principles articulated in *Halsbury's Laws of England*,[26] observed that:

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[22] *Mitsui Sumitomo Insurance Co (Europe) Ltd and Another v Mayor's Office for Policing & Crime* [2015] QB 180 (Court of Appeal of England and Wales).
[23] *R (A) v Director of Establishments of the Security Service* [2010] 2 AC 1 (UK Supreme Court).
[24] *Mayor's Office for Policing and Crime v Mitsui Sumitomo Insurance Co (Europe) Ltd and Others* [2016] UKSC 18 (UK Supreme Court).
[25] 1968 SCC OnLine SC 55.
[26] *Halsbury's Laws*, vol 36 (3rd edn, 1964) 40:

> "*Where a statute provides that subordinate legislation made under it is to have effect as if enacted in the statute such legislation may be referred to for the purpose of construing a provision in the statute itself. Where a statute does not contain such a provision, and does not confer any power to modify the application of the statute by subordinate legislation, it is clear that subordinate legislation made under the statute cannot alter or vary the meaning of the statute itself where it is unambiguous, and it is doubtful whether such legislation can be referred to for the purpose of construing an expression in the statute, even if the meaning of the expression is ambiguous.*"

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> "*31. No decision of this Court or of any of the High Courts in this country dealing with this aspect has been brought to my notice. Even the counsel for the parties were not definite about the stand that they should take. They were changing their position again and again. On this question the opinion in English courts is not unanimous…*
> *34…I do not think it is necessary for me to decide in this case the general question whether subordinate legislation can be used for interpreting a provision in the parent Act. I am not unaware of the danger in accepting that it could be so done. But for the present purpose, it is sufficient to hold that for finding out the scope of a particular levy, notifications issued by the executive Government providing for exemption from that levy can be looked into as they disclose the overall scheme.*"
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> (emphasis supplied)

Having said this, this Court refrained from formulating the principle, as, in the facts of that case, the Court found it unnecessary to rely on subordinate legislation. The Court merely observed that it can be looked into.

19. In *Tata Engineering,*[27] the Court was concerned about the true meaning of the expression "house" in a resolution of the year 1952 and, as the primary statute was not sufficient to decipher the meaning, the Court observed that the rules made under the statute could be used for

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[27] *Tata Engineering and Locomotive Company Ltd v Gram Panchayat, Pimpri Waghere*, (1976) 4 SCC 177:

> *"22. The 1952 resolution of the gram panchayat in the present case is to be understood in the background of the provisions contained in Section 89 of the Act and the rules framed under Section 108 of the Act. The rules were placed before the legislature for approval. The rules framed in 1934 used the words "lands and buildings" instead of the words "lands and houses". The rules are a legitimate aid to construction of the statute as contemporanea expositio (see Craies on Statute Law, 6th Edn., p. 157).*"
>
> (emphasis supplied)

the construction of the statute's text. We may note that there was not much discussion, in that decision, on the principle of *contemporanea expositio*. In *Kasilingam,*[28] this Court used the definition of the expression 'college' in the rules to understand the meaning of the said expression in the primary statute. Later, in *Pali Devi*,[29] the question which arose for the consideration of this Court was whether the Minimum Wages Act, 1948 applies to ex-employees. The Court followed a large number of decisions

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[28] *P. Kasilingam and Others v PSG College of Technology and Others*, 1995 Supp (2) SCC 348:

> "*20. The Rules have been made in exercise of the power conferred by Section 53 of the Act. Under Section 54(2)of the Act every rule made under the Act is required to be placed on the table of both Houses of the Legislature as soon as possible after it is made. It is accepted principle of statutory construction that "rules made under a statute are a legitimate aid to construction of the statute as contemporanea expositio" (See : Craies on Statute Law, 7th Edn., pp. 157-158; Tata Engineering and Locomotive Co. Ltd. v. Gram Panchayat, Pimpri Waghere [(1976) 4 SCC 177, 182 : 1976 SCC (Tax) 457 : (1977) 1 SCR 306, 317] .) Rule 2(b) and Rule 2(d) defining the expression 'College' and 'Director' can, therefore, be taken into consideration as contemporanea expositio for construing the expression "private college" in Section 2(8) of the Act. Moreover, the Act and the Rules form part of a composite scheme. Many of the provisions of the Act can be put into operation only after the relevant provisionor form is prescribed in the Rules. In the absence of the Rules the Act cannot be enforced. If it is held that Rules do not apply to technical educational institutions the provisions of the Act cannot be enforced in respect of such institutions. There is, therefore, no escape from the conclusion that professional and technical educational institutions are excluded from the ambit of the Act and the High Court has rightly taken the said view…*"
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> (emphasis supplied)

[29] *Pali Devi* v. *Chairman, Managing Committee,* (1996) 3 SCC 296:

> "8. …*The language of the Form, covering the cases of the past and existing employees, was in accord not only with the latter view of the Madras High Court and the Kerala High Court but also with the views of the Patna High Court in Labour Enforcement Officer (Central) v. Presiding Officer, Labour Court and Authority under the Minimum Wages Act [ILR 1976 Pat 318], and the High Court of Mysore at Bangalore in Athni Municipality v. Shetteppa Laxman Pattan [(1965) 2 LLJ 307]. Thus on account of the preponderance of authority, Sections 20(2) and 2(i) had to be read along with the Rules and Form VI to lean in favour of the view that both past and present employees were entitled to move in the matter. Such would be a purposive approach, which would carry out the necessary intendment of the statute, for which the Rules and the Form lend a hand to carry out the objectives of the Act. The language employed therein, even though executive voiced, is more often than not, demonstrative of the legislative purpose. So viewed, the intendment of the statute is furthered if an ex-employee too is held entitled to seek relief under Section 20(2) of the Act*."

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of the High Court which favoured the application of the Act to ex-employees and also observed that it subserves the purpose of the Act. It is in this context that the Court observed that even the rules enable a similar construction of the statute.

20. The hesitancy expressed in *J.K. Steel* about using subordinate legislation to interpret the principal statute must be seen in the context of the later decision in *Jeevan Chandrabhan*[30] which held that:

> "*30. In substance, the High Court held that the interpretation of Section 31(A) depends upon the tenor and scheme of the subordinate legislation. Such a principle of statutory construction is not normally resorted to save in the case of interpretation of an old enactment where the language is ambiguous. We are conscious of the fact that there is some difference of opinion on this principle but for the purpose of the present case we do not think it necessary to examine the preposition in detail as in our opinion the language of Section 31-A is to explicit to require any other external aid for the interpretation of the same. Subordinate Legislation made by the executive in exercise of the powers delegated by the legislature, at best, may reflect the understanding of the executive of the scope of the powers delegated. But there is no inherent guarantee that such an understanding is consistent with the true meaning and purport of the parent enactment*."
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> (emphasis supplied)

21. Thus, the following principles can be culled out on the basis of the decisions surveyed:

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[30] *Jeevan Chandrabhan Idnani and Another v Divisional Commissioner, Konkan Bhavan and Others*, (2012) 2 SCC 794.

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(i) The Judiciary alone has the responsibility of authoritatively interpreting legislation and determining its legal meaning while deciding individual cases before it. This function is the exclusive province of constitutional courts and any explanation or meaning found by any other agency is always subject to the interpretation of constitutional courts.

(ii) Constitutional courts primarily adopt the plain and natural meaning of the language used in the legislation. If the intention of the legislature is not conveyed expressly, clearly, and completely, the court will declare the intention by interpreting the text in its context and in the light of the purpose and object of the legislation. Further, the court may adopt an external aid to decipher the meaning of the legislation, with one of them being subordinate legislation made under the primary statute.[31]

(iii) While using subordinate legislation to interpret the provisions of a primary statute, constitutional courts must bear in mind that, by its very nature, subordinate legislation is founded on the Executive Branch's understanding of the primary legislation. To adopt that position uncritically would be to substitute the rule-

[31] *Delhi Airtech Services Private Limited and Another v State of Uttar Pradesh and Another*, (2011) 9 SCC 354.

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making authority for the court as the interpreter. Further, this would disregard the possibility of the subordinate legislation being misconceived or *ultra vires* the statute.

(iv) Subordinate legislation, by itself, does not determine or control the meaning of the primary statute. It can only be an aid to supplement or corroborate a meaning that a constitutional court would have found on the basis of other interpretative criteria. It cannot oust a meaning that the statutory provision could bear, unless that is supported by the statutory scheme itself, read with the purpose and object of the legislation.

(v) Contemporaneously made rules could aid in understanding the width of certain expressions used in the statute to indicate its inclusiveness. Subordinate legislation, by itself, however, cannot restrict the meaning of the words used in the primary legislation.

22. Keeping in mind the above-referred principles, Rules 4A to 4C, as inserted by the Electricity (Amendment) Rules, 2023, need to be examined. However, as they are not under challenge in these proceedings and, more importantly, as we have not heard the Union of India, we deem it appropriate to issue notice to the Union of India (acting through the Ministry of Power).

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23. At the same time, as Rules 4A, 4B, and 4C were brought into force from 30.06.2023, i.e. before the expiry of NPCL's original licence, and they continue to be in force, we deem it appropriate to direct the continuation of NPCL's license till 09.06.2029 as an interim measure.

24. Thus, the Union of India (through the Ministry of Power) is directed to be impleaded as a party to these Civil Appeals. The Registry is directed to serve a copy of the Civil Appeals on the Central Agency Section, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Additionally, copies shall also be served on the office of the Learned Solicitor General of India, who may take instructions from the Central Government and assist this Court.

25. List the Civil Appeals on 14.12.2026.

.....J.
[**PAMIDIGHANTAM SRI NARASIMHA**]

.....J.
[**ALOK ARADHE**]

NEW DELHI;
NOVEMBER 27, 2026.