

The Tribunal System in India

Key insights

- Tribunals are institutions established for discharging judicial or quasi-judicial duties. The objective may be to reduce case load of the judiciary or to bring in subject expertise for technical matters.
- The Supreme Court has ruled that tribunals, being quasi-judicial bodies, should have the same level of independence from the executive as the judiciary. Key factors include the mode of selection of members, the composition of tribunals, and the terms and tenure of service.
- In order to ensure that tribunals are independent from the executive, the Supreme Court had recommended that all administrative matters be managed by the law ministry rather than the ministry associated with the subject area. Later, the Court recommended creation of an independent National Tribunals Commission for the administration of tribunals. These recommendations have not been implemented.
- Whereas the reasoning for setting up some tribunals was to reduce pendency of cases in courts, several tribunals are facing the issue of a large case load and pendency.

Evolution of the Tribunal System

Tribunals are judicial or quasi-judicial institutions established by law.¹ They intend to provide a platform for faster adjudication as compared to traditional courts, as well as expertise on certain subject matters.^{1,2} Pendency of cases in courts is one of the key challenges faced by the judicial system.^{3,4} As of June 6, 2021, there are 91,885 cases pending for more than 30 years in different High Courts of India.⁵ As of May 1, 2021, there are 67,898 pending cases in the Supreme Court.⁶ The Law Commission of India (2017) noted that pendency in courts leads to delays in the administration of justice, thereby, impacting efficiency of the judicial system. Further, it noted that in certain technical cases, the traditional courts need expert knowledge for adjudication.¹

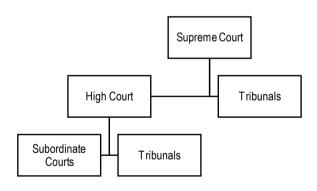
This note discusses the tribunal system in India in terms of its evolution, administration, functioning, and the reforms suggested to improve their functioning.

In 1976, Articles 323A and 323B were inserted in the Constitution of India through the 42nd Amendment.

Article 323A empowered Parliament to constitute administrative Tribunals (both at central and state level) for adjudication of matters related to recruitment and conditions of service of public servants. Article 323B specified certain subjects (such as taxation and land reforms) for which Parliament or state legislatures may constitute tribunals by enacting a law. In 2010, the Supreme Court clarified that the subject matters under Article 323B are not exclusive, and legislatures are empowered to create tribunals on any subject matters under their purview as specified in the Seventh Schedule of the Constitution.⁷

Currently, tribunals have been created both as substitutes to High Courts and as subordinate to High Courts (see Figure 1). In the former case,

Figure 1: Structure of Indian tribunal system



Source: PRS

appeals from the decisions of Tribunals (such as the Securities Appellate Tribunal) lie directly with the Supreme Court. In the latter case (such as the Appellate Board under the Copyright Act, 1957), appeals are heard by the corresponding High Court.

The tribunal system has developed as a parallel to the traditional court system over the last eighty years. The Income Tax Appellate Tribunal was created in 1941 to reduce pendency of cases in courts. After the insertion of Articles 323A and 323B, several tribunals such as the Central Administrative Tribunal as well as sector specific tribunals were set up from the 1980s to 2010s. The Finance Act, 2017 consolidated several tribunals. In 2021, a Bill has been introduced that abolishes nine tribunals and transfers the matters to courts.

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Table 1 summarises key developments in the tribunal system in India.

Table 1: Key developments in Indian tribunal system

Year	Key developments
1941	The Income Tax Appellate Tribunal was established as the first Tribunal in India. The objective was to reduce the workload of courts, expedite adjudication of disputes, and build expertise on tax matters within the Tribunal. ¹
1969	The First Administrative Reforms Commission recommended that the central government should set up Civil Services Tribunals at the national level and state levels. These Tribunals would be the final appellate authority for adjudicating on matters related to dismissal, removal from service, and reduction in rank of civil servants. ⁸
1974	 The Sixth Law Commission (1974), recommend setting up a separate high-powered tribunal and commission for adjudication of matters in High Courts. This was aimed at reducing arrears of cases in the High Courts.⁹
1976	 The Swaran Singh Committee (1976) noted that the High Courts were burdened with service cases by public servants. ¹⁰ It recommended setting up: (i) administrative tribunals (both at national level and state level) to adjudicate on matters related to service conditions, (ii) an all-India Appellate Tribunal for matters from labour courts and industrial tribunals, and (iii) tribunals for deciding matters related to various sectors (such as revenue, land reforms, and essential commodities). It further recommended that the decisions of the tribunals should be subject to scrutiny by the Supreme Court. ¹⁰ The 42nd amendment to the Constitution was passed. The amendment empowered Parliament to constitute: (i) administrative tribunals (both at central and state level) for adjudication of matters related to recruitment and conditions of service of public servants, and (ii) other tribunals for adjudication of certain subject matters including industrial disputes, taxation (such as levy and collection of taxes), and foreign exchange. ¹¹
Since the 1980s	 Several tribunals were established under different Acts. These include the Central Administrative Tribunal for administrative matters, the Securities Appellate Tribunal to hear appeals against decisions of financial sector regulators, an Appellate Tribunal where decisions of the Central Film Certification Board could be challenged, and an Appellate Tribunal for Electricity to hear tariff issues.
2017	The Finance Act, 2017 reorganised the tribunal system by merging tribunals based on functional similarity. ⁸ The number of Tribunals was reduced from 26 to 19. ^{12,13} It delegated powers to the central government to make Rules to provide for the qualifications, appointments, removal, and conditions of service for chairpersons and members of these tribunals. ⁸
2021	The Tribunals Reforms (Rationalisation and Conditions of Service) Bill, 2021 was introduced in Lok Sabha in February. 14,15 As the Bill was pending at the end of the session, an Ordinance with similar provisions was promulgated in April 2021. They abolish nine tribunals and transfer their functions to existing judicial bodies (mainly High Courts).

Sources: Respective reports, Acts, Bills, and Ordinances as cited in the corresponding items above; PRS.

Structure of Tribunal system in Australia, France, United Kingdom, and United States of America

- Australia: Tribunals in Australia deal with administrative and civil matters. Appeals against most tribunals lie with the Court of Appeal.^{1,16} The Court of Appeal is a division of the Supreme Court of Australia.¹⁷
- France: France has a dual legal system which classifies courts into judicial courts (dealing with private law) and administrative courts (dealing with public/administrative law).^{23,18} France has a three-tier tribunal system within the category of administrative courts.¹⁸ The first tier is Tribunal Administratif (Administrative Court), which has jurisdiction covering all administrative matters. The appeals against Tribunal Administratif lie to Cour Administrative d'appeal (Administrative Court of appeal). The third tier is the Counseil d'Etat, which finally adjudicates on appeals against the first and second tier. The appellate courts do not have jurisdiction of judicial review over subordinate courts.¹⁸
- United Kingdom: United Kingdom has a two-tier tribunal system, which consists of: (i) a First Tier Tribunal, and (ii) an Upper Tribunal. The appeals against the First Tier Tribunal lie with the Upper Tribunal. Within the First Tier Tribunal there are several Chambers with jurisdiction over different subject matters. For example, the Tax Chamber has jurisdiction over matters related to: (i) direct and indirect taxation, and (ii) expenses of Members of Parliament.¹⁹
 - Appeals from the Upper Tribunal lie to the Court of Appeal. The Court of Appeal is the second highest court after the country's Supreme Court. There is a separate tribunal for employment related matters called Employment Appeals Tribunal. The appeals of this tribunal lie to the Court of Appeal. The administration of all courts and tribunals is managed by a separate organisation called Her Majesty's Courts and Tribunals Service (HMCTS).
- United States of America: In the United States of America, tribunals are empowered to exercise only quasi-judicial functions
 related to administrative actions. The country's Constitution does not allow vesting judicial powers in a body which is not a
 court. The decisions of these administrative tribunals are subject to judicial review by courts having jurisdiction over them.¹

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Key Issues

There are two major issues related to the working of tribunals. First, as quasi-judicial bodies, whether they have the same degree of independence from the Executive as the courts that they replace. Second, the level of their success in achieving quicker decision on disputes. In addition, their place within the constitutional scheme has been questioned. The Supreme Court has examined some of these issues and laid out some principles. Table 2 summarises some of these judgements.

Table 2: Key Supreme Court judgements related to tribunals

Supreme Court judgement	Principles specified
S. P. Sampath Kumar Etc. versus Union of India and Ors., 1986^{20}	 It is constitutionally valid for Parliament to create an alternate institution to High Courts with jurisdiction over certain matters provided that the alternate body has same efficacy as that of the High Court. Such tribunals will be considered substitutes of the High Courts. Appointments should be made either: (i) by the central government after consultation with the Chief Justice of India, or (ii) by a high-powered selection committee headed by Chief Justice of India or a current Supreme Court Judge or current Judge from the concerned High Court.
L. Chandra Kumar versus Union of India and Ors, 1997 ²¹	 A tribunal which substitutes High Courts as an alternative institutional mechanism for judicial review (to lessen the burden on High Courts) must have the status of High Courts. Such tribunals will act as courts of first instance in respect of areas of law for which they have been constituted. However, decisions of these tribunals will be subject to scrutiny by a division bench of the High Court within whose jurisdiction the concerned tribunal falls. For a tribunal substituting a High Court, any weightage in favour of non-judicial members would render the tribunal less effective and potent than the High Court. Only persons with judicial experience should be appointed to tribunals. To ensure uniformity in administration, a separate independent mechanism should be set up to manage the appointment and administration of tribunals. Until such an independent agency is set up, all tribunals should be under the administration of a single nodal Ministry (such as the Ministry of Law)
R. Gandhi versus Union of India & Anr, 2010 ⁷	 Parliament may create alternate mechanism to High Courts on subject matters in the Union List. There is no need of a technical member if jurisdiction of courts is transferred to the tribunals solely to achieve expeditious disposal of matters. In any bench, technical members must not outnumber judicial members. Only Secretary level officers with specialised knowledge and skills should be appointed as technical members.
Madras Bar Association versus Union of India & Anr, 2014 ²²	 Group A or equivalent rank officers with experience in the Indian Company Law Service (Legal Branch) and the Indian Legal Service (Grade I) cannot be considered for appointment as judicial members. Such officers may be for considered for appointment as technical members. Administrative support for all tribunals should come the Ministry of Law and Justice. Neither the tribunals nor their members must seek or be provided with facilities from the respective parent Ministry or concerned Department.
Rojer Mathew versus South Indian Bank Limited & ors, 2019 ²³	 Judicial functions cannot be performed by technical members. Provisions to allow removal of judges by the Executive is unconstitutional. There should be a uniform age of retirement for all members of all the tribunals. Short tenures lead to control of executives over tribunals causing adverse effects on the independence of judiciary. The impact of amalgamation of tribunals should be analysed with judicial impact assessment.
Madras Bar Association versus Union of India, 2020 ²⁴	 National Tribunals Commission should be set up to supervise appointments, as well as functioning and administration of tribunals. Members will have a term of five years instead of four years. Members will be allowed to hold office till they reach 67 years of age (instead of 65).
Madras Bar Association versus Union of India, 2021 ²⁵	 The Court struck down provisions related to the four-year tenure and minimum age requirement of 50 years for members.

Sources: Respective judgements, PRS.

Constitutional foundation and competence of tribunals

The constitutional standing of tribunals has been questioned. In particular, whether the jurisdiction of High Courts and Supreme Court can be removed. In 1986, the Supreme Court ruled that Parliament may create an alternative to High Courts provided that they have the same efficacy as the High Courts.²⁰

In 1997, the Supreme Court ruled that such Tribunals may decide questions on constitutional validity of statutory provisions. However, they will be considered as a supplement rather than as substitutes to High Courts on such matters. Thus, their decisions on such matters may be examined by a division bench of the High Court. Further, the Supreme Court stated that tribunals must not adjudicate on questions related to the constitutionality of their parent statutes. Such matters must be adjudicated directly by High Courts. Under the court state of the constitutionality of their parent statutes.

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Independence of tribunals

In 2010, the Supreme Court noted that the tribunals in India have not achieved complete independence.²⁶ In 2014, the Supreme Court while reviewing the National Tax Tribunal Act, 2005 stated that when a tribunal is vested with jurisdiction of High Courts, the tribunal must be free from executive interference.²² Any involvement of the central government in administrative activities of tribunals (such as sanctioning leave for members) would affect their independence.²² The components which determine the independence of tribunals include: (i) selection process of the members, (ii) composition of the tribunals, and (iii) terms of office and service conditions of the members.²²

- Selection process of members: In 1986, while reviewing the Administrative Tribunal Act, 1985 the Supreme Court stated that the total insulation of the judiciary from all forms of interference from the executive is a basic essential feature of the Constitution.²⁰ Thus, empowering the central government to appoint the Chairperson and other members of a Tribunal established as a substitute of a High Court, violates the independence of judiciary.²⁰ In 2019, the Supreme Court reiterated that the lack of judicial dominance in the selection committees of tribunals violates the doctrine of separation of powers and is an encroachment on the judicial domain.²³ Further, the Court clarified that the Executive is often a party in litigations and hence, they should not be allowed to be a dominant party in judicial appointments.²³ The mechanism for appointment and removal of members in tribunals, and tenure of their employment should have adequate protection from legislative and executive interference.²³
 - In November 2020, the Court specified that selection committees of tribunals should consist of: (i) the Chief Justice of India or his nominee (with a casting vote), (ii) the presiding officer of the tribunal or a retired Supreme Court judge or Chief Justice of High Court in case the presiding officer is not a judicial member or if he is seeking re-appointment, (iii) Secretary to the Ministry of Law and Justice, (iv) Secretary to central government from non-parent Ministry, and (v) Secretary from parent Ministry (without a vote).²⁴
- Composition of Tribunals: The Supreme Court has noted that the members of a tribunal may be selected from departments of the central government as well as from various other fields of expertise.²¹ The presence of expert members (technical members) along with judicial members is a key feature of tribunals which distinguishes them from traditional courts.⁷ Only persons with a judicial background (such as Judges of the High Court and lawyers with the prescribed experience who are eligible for appointment as High Court Judges) may be considered for appointment as Judicial Members.⁷
 - The Supreme Court specified that there is no need of a technical member if jurisdiction of courts is transferred to tribunals to achieve expeditious disposal of matters. In such cases, any provision for technical members in addition to or in substitution of judicial members would clearly be a case of dilution and encroachment upon the independence of the judiciary. Further, where a tribunal has technical members, the technical member must always sit with a judicial member in a two-member bench. In case of a larger bench, the number of non-judicial members must not exceed the judicial members.
- Term of office: In 2019, the Supreme Court stated that a short tenure of members (such as three years) along with provisions of re-appointment increases the influence and control of the Executive over the judiciary. ²³ Moreover, in such short term of office, by the time the members achieve the required knowledge, expertise and efficiency, one term gets over. ²² This prevents enhancement of adjudicatory experience, thereby, impacting the efficacy of tribunals. ²³ Further, it discourages meritorious candidates from applying for such positions as they may not leave their well-established careers to serve as a member for a short period. ²³ In 2020, the Supreme Court stated that the term of office for the Chairperson and other members must be five years (subject to a maximum age limit of 70 years for the Chairperson and 67 years for other members). ²⁴
- Administration of Tribunals: In 1997, the Supreme Court recommended setting up an independent mechanism for uniform management of appointments and administration of tribunals. The Court specified that until such an independent agency is set up, all tribunals should be under the administration of a single nodal Ministry (such as the Ministry of Law).²¹ Subsequently, in 2014, the Court specified that administrative support for all tribunals should be from the Ministry of Law and Justice.²² It further specified that neither the Tribunals nor their members must seek or be provided with facilities from the respective parent Ministry or concerned Department.²²

The Standing Committee on Personnel, Public Grievances, Law and Justice (2015) recommended creation of an independent body called the National Tribunals Commission (NTC) for administration of all tribunals in India.²⁷ In 2020, the Supreme Court also emphasised on creating the NTC to supervise appointments, as well as functioning and administration of tribunals. However, till now, the NTC has not been created.

Pendency of cases

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One of the key purposes of tribunals is to reduce the workload of courts, so that there is quicker disposal of cases. However, even some tribunals face the issue of a large backlog of cases. For example, as of March 15, 2021, the central government industrial tribunal cum-labour courts had 7,312 pending cases; as of February 28, 2021, the Armed Forces Tribunal had 18,829 pending cases; and as of January 1, 2018, the Income-tax Appellate Tribunal had 91,643 pending cases. ^{28,29,30}

The Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2021 has abolished nine tribunals and transferred their functions to High Courts.¹⁵ This action would add to the pending cases in such High Courts.

The lack of human resources (such as inadequate number judges) is observed to be one of the key reasons for accumulation of pending cases in courts.³⁰ The Standing Committee on Personnel, Public Grievances, Law and Justice (2015) had noted that several tribunals (such as Cyber Appellate Tribunal and Armed Forces Tribunal) have vacancies which makes them dysfunctional.²⁷ As of March 3, 2021, there were 23 posts vacant out of total 34 sanctioned strength of judicial and administrative members in Armed Forces Tribunal.²⁹ The Committee stated that NTC being a dedicated independent agency for providing resources (includes infrastructural, financial, and human resource) to tribunals would help in resolving such issues.²⁷

A judicial impact assessment would be helpful to determine the extra resources required to handle fresh cases resulting from enactment of a new law. In 2019, while reviewing the amalgamation of tribunals, the Supreme Court stated that judicial impact assessment should be conducted to analyse the amalgamation of tribunals.²³ However, the government has not released any report on judicial impact assessment on the amalgamation of tribunals in 2017 or the recent abolition of some tribunals.

Annexure

Appeals from tribunals usually lie with the concerned High Court. However, some laws specify that appeals will be heard by the Supreme Court. Table 4 illustrates some tribunals and the court with appellate jurisdiction over them.

Table 3: Appellate courts for some Tribunals in India

Name of Tribunal	Act establishing the Tribunal	Appellate Court
Industrial Tribunal	The Industrial Disputes Act, 1947	High Court
Income-Tax Appellate Tribunal	The Income-tax Act, 1961	High Court
Customs, Excise and Service Tax Appellate Tribunal	The Customs Act, 1962	High Court
Appellate Tribunal	The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976	High Court
Central Administrative Tribunal	The Administrative Tribunal Act, 1985	Supreme Court
Railway Claims Tribunal	The Railway Claims Tribunal Act, 1987	High Court
Securities Appellate Tribunal	The Securities Exchange Board of India Act, 1992	Supreme Court
Debts Recovery Appellate Tribunal	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993	High Court
Telecom Disputes Settlement and Appellate Tribunal	The Telecom Regulatory Authority of India Act, 1997	Supreme Court
National Company Law Appellate Tribunal	The Companies Act, 2013	Supreme Court
National Consumer Disputes Redressal Commission	The Consumer Protection Act, 2019	Supreme Court
Appellate Tribunal for Electricity	The Electricity Act, 2003	Supreme Court
Armed Forces Tribunal	The Armed Forces Tribunal Act, 2007	Supreme Court
National Green Tribunal	The National Green Tribunal Act, 2010	Supreme Court

Sources: Respective Acts, PRS.

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¹ Report No. 272 – Assessment of Statutory Frameworks of Tribunals in India, Law Commission of India, October 2017.

² <u>Administrative Justice and Tribunals: Final report of progress against the Strategic Work Programme 2013-2016</u>, Ministry of Justice, Government of United Kingdom, March 2017.

³ Report No. 230 – Reforms in the Judiciary: Some Suggestions, Law Commission of India, August 2009.

⁴ Report No. 245 - Arrears and Backlog: Creating Additional Judicial (wo)manpower, Law Commission of India, July 2014.

⁵ National Judicial Data Grid - High Courts of India, as accessed on June 9, 2021.

⁶ Monthly pending cases as of May 1, 2021, Supreme Court of India.

⁷ Union of India vs R. Gandhi and Ors., 2010 (261) ELT3 (S.C.), Supreme Court of India, May 11, 2010.

⁸ The Finance Act, 2017, Ministry of Law and Justice, March 31, 2017.

⁹ Report No. 11 – Personnel Administration, First Administrative Reforms Commission, April 1969.

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¹⁰ Report No. 58 – Structure and Jurisdiction of the Higher Judiciary, Law Commission of India, January 1974.

¹¹ Volume I – Report of The National Commission to Review the Working of the Constitution, Ministry of Law, Justice and Company Affairs, March 31, 2002.

¹² Tribunals, Appellate Tribunals and Other Authorities (Conditions of Service) Bill, 2014.

¹³ Unstarred Question No. 675, Ministry of Law and Justice, November 20, 20219.

¹⁴ The Tribunals Reforms (Rationalisation and Conditions of Service) Bill, 2021, Ministry of Finance, February 13, 2021.

¹⁵ The Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2021, Ministry of Law and Justice, April 4, 2021.

¹⁶ Tribunals in Australia: Their Roles and Responsibilities. Administrative Appeals Tribunal as accessed on June 13, 2021.

¹⁷ About the Court, Supreme Court of Western Australia.

¹⁸ The French Legal System, Ministry of Justice, Government of France, as accessed on June 19, 2021.

¹⁹ Tribunals, Courts and Enforcement Act 2007, Government of United Kingdom.

²⁰ S. P. Sampath Kumar Etc. versus Union of India and Ors., 1987 AIR 386, Supreme Court of India, December 9, 1986.

²¹ L. Chandra Kumar versus Union of India and Ors., AIR 1997 SC1125, Supreme Court of India, March 18, 1997.

²² Madras Bar Association versus Union of India, 2014 (308) ELT209 (S.C.), Supreme Court of India, September 25, 2014.

²³ Rojer Mathew versus South Indian Bank Ltd & Ors., 2019 (369) ELT3 (S.C.), Supreme Court of India, November 13, 2019.

²⁴ Madras Bar Association vs Union of India & Anr., Civil Writ Petition No. 804 of 2020, November 27, 2020.

²⁵ Madras Bar <u>Association vs Union of India, W.P.(C)</u> No. 000502 of 2021, <u>Supreme Court of India</u>, July 14, 2021.

²⁶ Madras Bar Association versus Union of India and Anr., Civil appealno. 3067 of 2004 and 3717 of 2005, Supreme Court of India, May 11, 2010.

²⁷ Report No. 74 - Tribunals, Appellate Tribunals and Other Authorities (Conditions of Service) Bill, 2014, Standing Committee On Personnel, Public Grievances, Law And Justice, February 26, 2015.

²⁸ Unstarred Question No. 4182, Ministry of Labour and Employment, March 22, 2021.

²⁹ Unstarred Question No. 2663, Ministry of Defence, March 10, 2021.

³⁰ Annual Report 2017-18, Ministry of Law and Justice.