

SUPREMO AMICUS

INDIA'S FIRST AI INTEGRATED LAW JOURNAL

Peer Reviewed, Refereed and Open access Journal

- Available in 331+ International Libraries
- Indexed at 32 Databases



ISSN NO. 2456-9704
Volume 10 Issue 3
www.supremoamicus.org



DISCLAIMER

The information presented in this article is intended for general informational and educational purposes only. While every effort has been made to ensure that the content is accurate, up-to-date, and reliable at the time of publication, the editorial board and publisher make no representations or warranties of any kind, express or implied, regarding the completeness, accuracy, reliability, suitability, or availability of the information contained herein.

The views and opinions expressed in this article are those of the author and are based on personal research, experience, and interpretation. They do not necessarily reflect the official policy, position, or opinions of any affiliated organization, institution, or entity.

This article is not intended to serve as professional advice of any kind. The editorial board and publisher shall not be held liable for any errors or omissions in the content, nor for any losses, injuries, or damages arising from the use of or reliance on this information.



ABOUT THE JOURNAL

Supremo Amicus is an online, peer-reviewed international journal devoted to the interdisciplinary fields of law and science. In an era marked by rapid technological progress and evolving legal frameworks, the journal seeks to bridge the gap between these two dynamic domains by offering comprehensive and critical insights into their various aspects. The journal places a strong emphasis on contemporary advancements, emerging trends, and the complex challenges faced by both the legal community.

The primary objective of the journal is to encourage and promote original, high-quality research. It is committed to publishing well-researched, analytically sound, and thought-provoking articles that adhere to rigorous academic standards. Each submission undergoes a thorough peer-review process to ensure authenticity, relevance, and scholarly integrity. In doing so, the journal maintains its commitment to excellence and credibility.

In addition to fostering research, the journal aims to make complex ideas accessible and engaging for a diverse readership. It strives to present content that is not only intellectually enriching but also clearly written and reader friendly.

Furthermore, the journal is committed to promoting interdisciplinary collaboration and global engagement. It welcomes diverse perspectives from contributors across different regions and backgrounds, thereby enriching the quality and scope of discussions presented within its pages.

With this vision we proudly present Supremo Amicus to our readers.

**-Editorial Team
Supremo Amicus**



DISCRETION WITHOUT DESPOTISM: A COMPARATIVE AND CONTEMPORARY ANALYSIS OF THE ABUSE OF ADMINISTRATIVE DISCRETION

By Vishal Patidar

From National Law Institute University, Bhopal

By Arav Singhvi

From National Law Institute University, Bhopal

By Mohit Jain

From National Law Institute University, Bhopal

ABSTRACT

This research paper provides a critical examination of the *questio diabolica* in administrative law: the delicate balance between necessary administrative flexibility and the prevention of the arbitrary exercise of power. As modern governance increasingly relies on delegated authority, administrative discretion has become unavoidable for efficient functioning. However, this study argues that such power must be anchored in the principles of reason, fairness, and justice rather than personal caprice. The core of this analysis focuses on the grounds for judicial review when discretion is abused, specifically through the lenses of irrelevant consideration, mixed considerations, and the omission of relevant factors.

The paper categorizes administrative abuse into several doctrinal forms, including mala fides, improper purpose, and the colourable exercise of power. Through an extensive review of Indian jurisprudence, the research demonstrates how courts quash actions where authorities rely on extraneous factors or ignore mandatory statutory criteria. A significant portion of the study is dedicated to the complex mixed considerations doctrine, distinguishing between orders based on subjective satisfaction, which are often invalidated if even one ground is irrelevant, and those based on objective

facts, which may be upheld if the remaining valid grounds are sufficiently strong. Ultimately, the paper advocates for systemic reforms, including the institutionalization of reasoned decisions, regular administrative training, and the creation of independent review bodies to ensure that discretionary power remains a servant of the rule of law rather than a tool for individual whim.

This edition of the study additionally situates the Indian position within a comparative common law framework drawing on developments in the United Kingdom, the United States, Canada, and Australia and incorporates recent judicial decisions from 2023–2024, including the Demonetisation case, the Electoral Bonds case, and the United States Supreme Court's abandonment of Chevron deference in *Loper Bright Enterprises v. Raimondo*, to demonstrate that the *questio diabolica* remains a live and evolving concern of contemporary public law across jurisdictions.

Keywords: Administrative Discretion; Judicial Review; Ultra Vires; Irrelevant Considerations; Subjective Satisfaction; Rule of Law; Mala Fides; Proportionality; Comparative Administrative Law; Indian Administrative Law

INTRODUCTION

"Power tends to corrupt, and absolute power corrupts absolutely." - Lord Acton

H.L.A. Hart, a prominent legal philosopher of the 20th century, defined discretion as *"a type of decision-making that balances arbitrary choice with rule application."* The contradiction between allowing administrative flexibility and guaranteeing legal limitations is one of the most complicated and contentious topics in administrative law, known as the *questio diabolica*¹. The problem is to strike a balance between two opposing goals: allowing the administration the flexibility to efficiently accomplish

¹Takwani, C.K., Lectures on Administrative Law, 6th ed., EBC Publication (P) Ltd., Lucknow, 2024.



its tasks while protecting against excessive exercise of authority, which might violate citizens' basic rights.

Discretion, in its most basic form, refers to the capacity to select from several accessible alternatives without being constrained by specific rules, even if the decision appears arbitrary. However, when the term discretion is used in an administrative environment, the connotation changes dramatically. Administrative discretion entails selecting from a variety of possibilities, but such decisions must be founded on the values of reason, fairness, and justice. It should *never be influenced by personal preferences, prejudices, or arbitrary choices.*

After India attained independence, it became clear that Parliament alone could not act on every aspect of the various issues that required regulation. It may also not assign all enforcement obligations straight to the executive without an established framework.² To solve these issues, delegation of power became vital. Over the last six decades, such delegation has played a significant part in the expansion and smooth operation of India's administrative machinery.³ Administrative discretion is thus not only unavoidable, but also required for government to function well.

Administrative agencies in India have discretionary powers, although these powers are limited by legislative constraints on how they can operate. In every form of government, the legislature cannot function successfully unless administrative officials are given considerable discretion. The administrative procedure requires discretion to solve difficulties that the legislature cannot anticipate or explain in full. However, this judgement is not without risks. While the administration is primarily entrusted with

implementing laws established by the legislature, it also takes on rule-making activities when legislative powers are transferred to it.⁴ The use of administrative judgement, however, is not only unavoidable but necessary.

The use of administrative discretion gives authorities the latitude they need to perform their duties successfully. However, to prevent the abuse of such powers, administrative discretion must be subject to judicial scrutiny. This guarantees that discretionary powers are utilised in compliance with legislative parameters, ensuring that choices are law-based rather than arbitrary. *The main problem is not the presence of discretion, but how it is applied within a framework of responsibility*⁵

As a result, although discretion gives administrative authorities the essential leeway to cope with complicated and changing situations, there is always the possibility that, without sufficient legal constraints, such flexibility may lead to the arbitrary use of authority. To avoid this, a careful balance between administrative independence and legal oversight must be maintained, maintaining both efficiency in administration and the rule of law.⁶

The Indian Contract Act of 1872 is the act governing the formation and enforcement of contracts in India and its territories. The act lays down provisions regarding the essentials of the contract such as offer, acceptance, consideration etc. The Contract Act is both an amending as well as a consolidating act, and it is not exhaustive of the Law of Contract. Pertinently, the Indian Contract Act, 1872 goes beyond the contracts of sale and purchase involving basic elements such as offer, acceptance and alike. The provisions of the Act also pertains to some special

²ibid.

³Abuse of Administrative Discretion — A Detailed Study | SCC Times.

<https://blog.scconline.gen.in/post/2022/06/24/abuse-of-administrative-discretion-a-detailed-study/>.

⁴M.P. Jain and S.N. Jain, Principles of Administrative law, (7th edn, Lexis Nexis, Butterworth's Wadhwa 2017).

⁵ibid.

⁶Taylor, G. D. S. (1976). Judicial Review of Improper Purposes and Irrelevant Considerations. The Cambridge Law Journal, 35(2), 272–291.



kinds of contract such as that of indemnity, guarantee, bailment and so on. These find mention from chapter VIII of the Act.

The Indian Contract Act of 1872 is the act governing the formation and enforcement of contracts in India and its territories. The act lays down provisions regarding the essentials of the contract such as offer, acceptance, consideration etc. The Contract Act is both an amending as well as a consolidating act, and it is not exhaustive of the Law of Contract. Pertinently, the Indian Contract Act, 1872 goes beyond the contracts of sale and purchase involving basic elements such as offer, acceptance and alike. The provisions of the Act also pertains to some special kinds of contract such as that of indemnity, guarantee, bailment and so on. These find mention from chapter VIII of the Act.

The Indian Contract Act of 1872 is the act governing the formation and enforcement of contracts in India and its territories. The act lays down provisions regarding the essentials of the contract such as offer, acceptance, consideration etc. The Contract Act is both an amending as well as a consolidating act, and it is not exhaustive of the Law of Contract. Pertinently, the Indian Contract Act, 1872 goes beyond the contracts of sale and purchase involving basic elements such as offer, acceptance and alike. The provisions of the Act also pertains to some special kinds of contract such as that of indemnity, guarantee, bailment and so on. These find mention from chapter VIII of the Act.

INTERNATIONAL AND COMPARATIVE PERSPECTIVES

While the doctrinal architecture examined in this paper is deeply rooted in Indian jurisprudence, the underlying tension it addresses between granting administrators room to act and constraining that room by law is not unique to India. Comparable analytical

tools have developed independently, and often earlier, in other common law jurisdictions, and a comparative view illuminates both the borrowed origins and the distinct trajectory of Indian administrative law doctrine.

UNITED KINGDOM

The doctrine of irrelevant and relevant considerations traces its most celebrated articulation to *Associated Provincial Picture Houses Ltd v. Wednesbury Corporation* [1948] 1 KB 223⁷, where Lord Greene MR held that a public authority acts unlawfully if it takes into account matters it ought not to take into account, fails to take into account matters it ought to take into account, or reaches a conclusion so unreasonable that no reasonable authority could ever have arrived at it. This tripartite formulation is the direct doctrinal ancestor of the Indian tests of irrelevant considerations, mixed considerations, and omission of relevant considerations examined throughout this paper. The House of Lords, in *Council of Civil Service Unions v. Minister for the Civil Service* [1985] AC 374 (the GCHQ case)⁸, reorganised judicial review around three broad heads illegality, irrationality, and procedural impropriety and flagged proportionality as a potential future ground. More recently, the UK Supreme Court in *Kennedy v. Charity Commission* [2014] UKSC 20⁹ clarified that even orthodox Wednesbury review necessarily involves an assessment of the weight and balance an authority gave to competing considerations, softening the historic rigidity of the 'no reasonable authority' formula and bringing it, in practice, closer to a contextual and proportionality-sensitive inquiry, while formally preserving Wednesbury unreasonableness as the default standard outside human-rights and EU-derived contexts.

UNITED STATES

American administrative law approaches a substantially similar problem through the 'arbitrary

⁷Associated Provincial Picture Houses Ltd v Wednesbury Corporation [1948] 1 KB 223.

⁸Council of Civil Service Unions v Minister for the Civil Service [1985] AC 374.

⁹Kennedy v Charity Commission [2014] UKSC 20.



and capricious' standard under Section 706(2)(A) of the Administrative Procedure Act, 1946, which since *Motor Vehicle Manufacturers Association v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29 (1983)¹⁰, has been understood to require that an agency consider the relevant factors and articulate a rational connection between the facts found and the choice made a formulation that closely tracks the Indian and English relevant/irrelevant considerations tests. Of particular contemporary significance is *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024)¹¹, in which the U.S. Supreme Court overruled the forty-year-old Chevron deference doctrine, holding that reviewing courts must exercise independent judgment on questions of statutory authority rather than defer to an agency's own reasonable interpretation of an ambiguous statute. By narrowing the zone of unreviewable administrative judgment, Loper Bright directly reorients the balance between administrative flexibility and judicial oversight that lies at the heart of the *questio diabolica* examined in this paper.

OTHER COMMON LAW JURISDICTIONS

Comparable oversight tools exist elsewhere in the common law world. In Canada, *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65¹², reformed judicial review around a presumptive standard of reasonableness, requiring that administrative decisions be justified, intelligible, and transparent by reference to the relevant factual and legal constraints bearing upon the decision. In Australia, the line of authority beginning with *Minister for Aboriginal Affairs v Peko-Wallsend Ltd* (1986) 162 CLR 24¹³ similarly treats the failure to take into account a mandatory relevant consideration as a distinct and independent ground of judicial review,

mirroring the Indian doctrine discussed in the sections that follow.

Taken together, this comparative survey demonstrates that the Indian doctrine of abuse of discretion is not an isolated construct but part of a shared common law inheritance, refined and adapted to India's own constitutional guarantees under Articles 14 and 21. It also demonstrates that the doctrine remains a live and evolving one: courts across major common law systems continue, in the present decade, to recalibrate precisely how much deference administrators deserve a recalibration this paper returns to in its discussion of contemporary developments below.

LEAVING RELEVANT CONSIDERATIONS: ALSO ABUSE OF DISCRETION?

In administrative decision-making, the exercise of discretionary power must strictly comply with legal standards. A fundamental principle is that authorities are required to consider all relevant factors while disregarding irrelevant or extraneous ones. Failure to observe this whether by ignoring pertinent considerations or relying on improper factors renders the exercise of discretion invalid or flawed.

1. OBLIGATION TO CONSIDER RELEVANT FACTORS

When administrative authorities exercise discretionary powers, they are legally obligated to consider all relevant factors while excluding irrelevant or extraneous ones. This ensures that decisions are based on a careful and comprehensive assessment of the facts, thereby preventing arbitrariness. Ignoring important considerations can render decisions flawed or invalid. Statutory phrases like "regard shall be had to" or "must have regard to" explicitly indicate which factors the authority is required to take into account.¹⁴

¹⁰*Motor Vehicle Manufacturers Association of the United States, Inc. v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29 (1983).

¹¹*Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024); decided together with *Relentless, Inc. v. Department of Commerce*.

¹²*Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65.

¹³*Minister for Aboriginal Affairs v Peko-Wallsend Ltd* (1986) 162 CLR 24.

¹⁴Sir William Wade, *Administrative Law*, (11th Edition by Christopher Forsyth, Oxford University Press).



Failing to consider the prescribed factors can render the exercise of discretionary power improper or unlawful. However, authorities are not strictly limited to only those considerations specified by the statute; they may also take into account other relevant factors. For instance, in *Ranjit Singh v. Union of India*, the reduction of a licensed gun manufacturer's production quota was challenged because the decision was based on irrelevant grounds. The Court held the action unjustified, noting that the government had failed to consider crucial factors such as the quality of the guns, the economic viability of the factory, and its production capacity.¹⁵

The Court emphasized that administrative decisions must be reasoned and based on relevant considerations, and that overlooking key factors renders a decision flawed. Decision-makers are generally expected to take into account all pertinent circumstances, whether explicitly specified by statute or arising from the broader context of the matter. This flexibility ensures that decisions are well-informed, balanced, and contextually appropriate. However, overlooking or ignoring key factors can subject the authority's decision to legal challenges and scrutiny.

2. CHALLENGES IN PROVING OMISSION OF RELEVANT FACTORS

Proving that relevant factors have been ignored in administrative decisions can be challenging, particularly when authorities fail to provide detailed reasoning. Without transparency, it becomes difficult to show that important considerations were overlooked, creating uncertainty and potential grounds for legal challenge. For example, if a decision appears to omit key factors, courts may strike it down for improper exercise of discretion, emphasizing the importance of reasoned and well-documented decision-making.¹⁶ Moreover, statutory phrases such as "having regard to" require authorities to consider

specific factors, but they do not prevent them from taking other relevant considerations into account. This flexibility, while necessary for informed decision-making, makes it challenging to prove that a key factor has been omitted, as authorities have discretion in weighing multiple considerations. To minimize legal risks, it is essential for authorities to provide clear and detailed reasoning in their decisions, ensuring that all relevant factors are properly considered and documented.¹⁷ This transparency enhances accountability and facilitates judicial review, ensuring proper and lawful exercise of administrative discretion.

ABUSE OF ADMINISTRATIVE DISCRETION: AN ANALYSIS

"Discretion is a science or understanding to discern between fact and truth, between right and wrong, between shadows and substance, between equity and colourable glosses and pretences, and not to do according to their wills and private affections." Lord Coke

When discretionary power is granted to an administrative authority, it must be exercised within the boundaries of the law. However, as Markose points out, "when the exercise of a valid power is done in an improper or unreasonable manner, it constitutes an abuse of power".¹⁸

Discretionary authority allows administrative officials the freedom to make decisions, but this autonomy is often vulnerable to misuse, resulting in abuse of power. Such misuse can occur through improper delegation like sub-delegation, rigid mechanical decision-making, or following directives blindly. It may also arise when authorities act in bad faith, rely

¹⁵West, W. F. (1984). Structuring Administrative Discretion: The Pursuit of Rationality and Responsiveness. *American Journal of Political Science*, 28(2), 340–360.

¹⁶supra note 10 (S.P. Sathe, Administrative Law).

¹⁷Galligan, D. J. (1990, May 31). The Exercise of Discretionary Powers I. OUP Academic. <https://academic.oup.com/book/7680/chapter-abstract/152732280?redirectedFrom=fulltext>.

¹⁸supra note 1.



on irrelevant considerations, or behave inappropriately.¹⁹

While discretion is essential for the effective functioning of government, the real challenge lies in striking a balance between granting authority and imposing safeguards to prevent its abuse. When discretion is misused, it undermines justice, accountability, and public trust. Therefore, it is crucial to ensure that discretionary powers are exercised responsibly, within the bounds of law and reason.

MALA FIDES

The term *mala fide* refers to actions carried out with ill intent, corrupt motives, or in bad faith. Administrative decisions are expected to be free from such motives, and it is the responsibility of the person alleging mala fides to provide proof. Mala fide conduct may manifest as personal animosity, spite, or corrupt intentions. For instance, in *S. Pratap Singh v. State of Punjab*²⁰, disciplinary proceedings were initiated against a civil surgeon due to a personal vendetta held by the Chief Minister. The Supreme Court found this exercise of authority to be mala fide and consequently quashed the suspension order, reaffirming that administrative power cannot be wielded for personal or improper purposes.

IMPROPER PURPOSE

Discretionary powers are conferred for specific, legally defined purposes, and using them for any other objective renders the action invalid and potentially *ultra vires*. This principle serves as a safeguard, ensuring that administrative authority remains within the limits established by law. For example, if a Municipal Corporation acquires land under the pretext of a public purpose but intends it for private gain, a court can nullify the acquisition order.²¹ The concept of "improper purpose" is broader than *mala fide* intent: even if there is no personal ill-will or malicious intent,

a decision can still be improper if it deviates from the statutory purpose for which the power was granted.

IRRELEVANT OR RELEVANT CONSIDERATIONS

Authorities entrusted with discretionary powers are required to make decisions based on factors that the statute deems relevant. When irrelevant considerations influence such decisions, the action can be declared *ultra vires*. For instance, in *Barium Chemicals Ltd. v. Company Law Board*²², the Board initiated an investigation citing factors like continuous losses and director resignations grounds that were not aligned with the statutory purpose. The court held that these considerations were irrelevant and consequently quashed the investigation, reinforcing the principle that discretion must be exercised strictly in accordance with legislative intent.

LEAVING OUT RELEVANT CONSIDERATIONS

When authorities fail to take into account relevant considerations while exercising discretionary powers, their decisions can be rendered void. For example, *Ranjit Singh v. Union of India*²³, the government reduced the production quota of a licensed gun manufacturer without considering key factors such as the quality of the firearms, the factory's production capacity, and its economic viability. The court held that the decision was based on irrelevant grounds and consequently struck it down, emphasizing that discretion must be exercised with proper regard to all relevant statutory factors.

COLOURABLE EXERCISE OF POWER

A *colourable exercise of power* arises when an authority appears to act within the scope of its legal powers but, in reality, pursues an objective that is unlawful or unrelated to the statute's purpose. For

¹⁹Abuse of Discretion: Administrative Expertise vs. Judicial Surveillance. (1966). University of Pennsylvania Law Review, 115(1), 40–46.

²⁰AIR 1964 SC 962.

²¹S.P. Sathe, Administrative Law (7th edn, Nagpur: Lexis Nexis, Butterworth's 2017).

²²AIR 1967 SC 295.

²³(1987) 4 SCC 611.



example, in *Somawanti v. State of Punjab*²⁴, the Supreme Court held that land acquisition purportedly for a "public purpose" could be challenged if the true intention was private use. This illustrates that even when a decision is cloaked in the guise of legality, it remains unlawful if it deviates from the statutory purpose.

UNREASONABLENESS

Administrative authorities are expected to act with fairness and reason. A decision is deemed *unreasonable* when, even if made in accordance with the law, it is executed improperly or relies on improper grounds. While courts typically refrain from interfering in matters of discretion, they will step in when a decision appears irrational, arbitrary, or excessive, particularly in cases where the authority clearly exceeds the limits of its legal powers.

PROPORTIONALITY

The rule of proportionality is a judicial safeguard designed to ensure that administrative actions are not excessive or disproportionate to their intended purpose. It seeks to balance the measures taken with the objective to be achieved. For instance, in *Union of India v. Ranjit Thakur*²⁵, the Supreme Court applied this doctrine to set aside a severe punishment imposed during court-martial proceedings, holding that the penalty was excessive in relation to the offense. This demonstrates how proportionality helps ensure that administrative decisions remain fair, reasonable, and just.

IRRELEVANT AND MIXED CONSIDERATIONS: ANALYSIS

Discretionary power allows an authority to select the most appropriate course of action from several options, depending on the circumstances. However, this discretion must be exercised based on lawful

considerations, free from irrelevant or extraneous influences. Every decision made under such powers must align with the principles and objectives set out in the enabling legislation. When the statute does not specify particular criteria, the authority is expected to base its judgment on factors relevant to the purpose for which the power was granted. If the discretion is exercised on irrelevant grounds, the resulting administrative action is *ultra vires* and may be struck down by the courts.²⁶

1. IRRELEVANT CONSIDERATIONS

As Wade states, "irrelevant considerations as a technique of judicial review provides the court with a weapon of great range and flexibility, which virtually allows review of decision on merits undermining strict Wednesbury principle".²⁷

In this context, when a statute grants power to an administrative authority, it must be exercised based on relevant considerations tied to the statute's purpose. If the authority takes into account extraneous factors, the action is considered unlawful (*ultra vires*).²⁸ Courts can review whether the proper grounds existed when the action was taken. If an aggrieved party can demonstrate that the decision was based on irrelevant considerations, the courts can question its legality.

This is distinct from situations involving malice or bad motivations since irrelevant factors can result from a sincere misunderstanding of the authority's authority or intent. For example, it is illegal to fire a teacher for no apparent reason, like having red hair, or for refusing to take payment for the meals that the students get. Another example of a judgment based on unrelated factors is firing an employee because it was decided in a sex discrimination case that she wasn't "sexy" enough. Decisions made in violation of Indian Administrative Law may also be deemed arbitrary, irrational, or founded on unrelated considerations.

²⁴AIR 1963 SC 151.

²⁵(1987) 4 SCC 611.

²⁶Cooper, R. M. (1938). Administrative Justice and the Role of Discretion. The Yale Law Journal, 47(4), 577–602.

²⁷supra note 4 (M.P. Jain and S.N. Jain, Principles of Administrative Law).

²⁸supra note 10 (S.P. Sathe, Administrative Law).



In the case of *Rohtas Industries Ltd. v. S.D. Agarwal*²⁹, the Supreme Court quashed an order of investigation issued against the company, finding that the decision was based on irrelevant grounds, specifically complaints against a director's conduct in unrelated companies.

2. MIXED CONSIDERATIONS

An exceptional situation arises when an administrative decision is influenced by both relevant and current factors as well as irrelevant or non-existent considerations. Legal interpretation becomes complex in such cases because courts have not followed a uniform approach. While some courts have held that decisions tainted by such conflicting factors are invalid due to procedural or substantive flaws, others have maintained that the proceedings remain lawful despite the presence of irrelevant elements. To address this issue systematically, it is important to analyze it within two distinct contexts: (a) conclusions based on subjective satisfaction, and (b) conclusions grounded in objective facts.

(A) CONCLUSIONS BASED ON SUBJECTIVE SATISFACTION

Stricter scrutiny is necessary in cases where decisions are based on subjective satisfaction, such as detention matters. If a decision is influenced by both relevant and irrelevant factors, it may be declared unlawful, because it becomes difficult to determine the extent to which improper considerations affected the authority's conclusion. The exercise of discretionary power must always be supported by legitimate grounds; in the absence of such justification, the action risks being deemed illegitimate.³⁰

However, not every minor flaw in an administrative decision renders it invalid. Courts typically intervene only when extraneous factors have a substantial and detrimental impact on the authority's exercise of

discretion. While safeguarding individual rights is essential, courts are cautious about declaring decisions unlawful unless it is clear that irrelevant considerations significantly influenced the outcome.³¹ In some cases, legislative provisions allow decisions to remain valid despite the presence of certain improper grounds, striking a balance between protecting individual rights and preserving the effective exercise of administrative discretion.

(B) CONCLUSION BASED ON OBJECTIVE FACTS

When a decision is based on objective facts but is influenced by both relevant and irrelevant considerations, courts can apply an objective standard to assess its legitimacy. If the decision-making process is materially affected by the inclusion of extraneous factors, the action may be declared invalid, ensuring that administrative authority is exercised within lawful and reasonable bounds.³² This difficulty arises because it is often hard to determine the extent to which extraneous information influenced the authority's final decision. However, courts may uphold the decision even in the presence of irrelevant factors if the relevant evidence alone is sufficient to justify the ruling, ensuring that administrative actions are not overturned unnecessarily.³³ The core principle is that an action can be upheld if there exists at least one valid reason supporting it, regardless of the presence of negative or irrelevant factors.

Administrative authorities may base their decisions on multiple grounds, some of which might be considered extraneous. Courts generally maintain the validity of such orders as long as the remaining reasons are sufficiently strong, thereby striking a balance between respecting administrative discretion and protecting individual rights.

²⁹(1969) 1 SCC 325.

³⁰I.P. Massey, *Administrative law*, (9th edn, Eastern Book Company 2017 Reprint 2021).

³¹*ibid*.

³²Ludd, S. O. (1994). *Judicial Review of Administrative Discretion: Friend or Foe of the Administrative Process*. *Administrative Theory & Praxis*, 16(2), 263–272.

³³*ibid*.



ANALYSIS

A clear distinction exists between orders grounded in **subjective satisfaction** and those based on **objective facts**. When an order is made on the basis of subjective satisfaction, it may be deemed unlawful if the legislation does not explicitly allow that an order supported by multiple grounds can be valid on each ground independently. In such cases, courts cannot apply an objective standard to uphold the decision, making it vulnerable to being set aside if found invalid.

In contrast, when an order is based on objective facts, it can be upheld by appellate or judicial authorities provided that the grounds are relevant, legally valid, and supported by evidence. In such cases, the order remains legitimate as long as it rests on sound objective criteria, even if some irrelevant factors are also present.

JUDICIAL INTERPRETATION

A. Leaving Relevant Considerations

1. *Sachidanand Pandey v. State of W.B.*

In this landmark case³⁴, the Supreme Court reaffirmed the fundamental principle that administrative decisions must be based on a careful consideration of all relevant factors, while consciously excluding irrelevant ones. The Court acknowledged that demonstrating the omission of specific relevant factors can be difficult unless the authority provides comprehensive and detailed reasoning in the decision, which allows inferences to be drawn regarding what was overlooked. Additionally, the Court highlighted that certain relevant factors are explicitly mandated by statutes through phrases such as "regard shall be had to," "must have regard to," or "having regard to," thereby imposing a clear obligation on authorities to take these considerations into account during decision-making.

³⁴(1987) 2 SCC 295.

³⁵(1969) 2 SCC 774.

2. *Rampur Distillery Co. Ltd. v. Company Law Board*

In this case³⁵, the Company Law Board refused to approve the renewal of the managing agency for Rampur Distillery Co., primarily citing the severe criticisms of the Managing Director, Mr. Dalmia, made by the Vivian Bose Commission. The Supreme Court recognized that a director's past conduct is indeed a relevant consideration in such matters. However, the Court stressed that the Board must also evaluate the current activities and performance of the directors before reaching a decision. This underscores the importance of a balanced assessment that accounts for both historical and contemporary factors, ensuring that administrative actions are fair, reasonable, and just.

3. *Ashadev v. K. Shivraj*

In this case³⁶, the Supreme Court examined a detention order issued under the *Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA)*. The order was based on confessional statements made by the detainee to Customs authorities, which were later retracted. The Court held that the voluntary nature of the original confessions was a "vital" fact that the detaining authority had to consider before issuing the detention order. It further clarified that if the retraction appeared to be an afterthought, it would not necessarily compromise the "subjective satisfaction" of the authority. Importantly, the Court emphasized that the statutory phrase "having regard to" does not restrict the authority to only the prescribed factors; it allows discretion to consider additional relevant factors that may inform the decision. This case highlights the critical need for administrative decisions to be grounded in a thorough and comprehensive assessment of all pertinent circumstances.

B. IRRELEVANT CONSIDERATIONS

1. *Ram Manohar Lohia v. State of Bihar*

In this case³⁷, the authority was empowered to detain individuals to prevent actions prejudicial to "public

³⁶(1979) 1 SCC 222.

³⁷AIR 1966 SC 740.



order." However, the petitioner was detained on the basis of preventing actions against "law and order," a concept that the Supreme Court noted is broader than "public order." The Court ultimately quashed the detention order, underscoring that authorities must strictly adhere to the relevant legal definitions and cannot expand their powers by relying on broader or irrelevant interpretations.

2. *R.L. Arora v. State of U.P.*

Under the *Land Acquisition Act, 1894*, the State Government had the power to acquire land if it was satisfied that such acquisition was necessary for public utility. In this case³⁸, land was acquired for a private company to construct a textile machinery factory. The Supreme Court, by majority, held that the government's satisfaction was invalid because it was based on irrelevant and extraneous considerations.

Justice Wanchoo emphasized that the government cannot unilaterally define statutory terms and then claim satisfaction based on its own interpretations; these meanings must be determined by the court before the government's satisfaction can be regarded as beyond challenge.

3. *State of M.P. v. Ramashanker Raghuvanshi*

The Supreme Court³⁹ examined the termination of a teacher's employment due to his involvement in RSS and Jan Sangh activities. The Court held that dismissing an individual based on political affiliations violated Articles 14 and 16 of the Constitution and consequently overturned the termination order. This case reinforced the principle that administrative decisions grounded on irrelevant factors, such as political beliefs, are unlawful and cannot be justified under the law.

4. *Sant Raj v. O.P. Singla*

In this case⁴⁰, appellants employed as loaders by a foreign airline were dismissed from service. The Labour Court found the termination unjust but did not order reinstatement. On appeal, the Supreme Court

acknowledged the Labour Court's error in refusing reinstatement, noting that once the dismissal was deemed illegal, the workers should still be considered employed. However, reinstatement was not granted due to the employer's hostility and the fact that the workers had been unemployed for twelve years; instead, the Court awarded compensation. Importantly, some of the reasoning used such as the employer being a foreign entity and the workers' job titles was arguably irrelevant and extraneous. The case highlighted inconsistencies in how extraneous factors are treated in employment matters and raised questions about the fairness of denying reinstatement based on such considerations.

C. MIXED CONSIDERATIONS

1. *Dwarka Das Bhatia v. State of J&K*

In this case⁴¹, the Supreme Court quashed a detention order that had been based on a mix of relevant and irrelevant grounds. The Court stressed that when a statutory authority exercises the power to deprive a person of liberty based on subjective satisfaction regarding specified factors, the authority must rely on valid and pertinent reasons. If some of the grounds are found to be irrelevant or non-existent, the exercise of power is considered improper, since it becomes impossible to determine how the authority's subjective satisfaction would have been affected in their absence. However, the Court clarified that not every irrelevant or vague factor will invalidate an order; only those that could reasonably influence the authority's subjective satisfaction are material. This principle underscores the challenges courts face in assessing the validity of decisions influenced by a mixture of relevant and extraneous considerations.

2. *Dhirajlal Girdharilal v. CIT*

In this case⁴², the tribunal's assessment of the appellant was based on a combination of relevant and irrelevant materials. While the government admitted the presence of irrelevant considerations, it contended that

³⁸AIR 1962 SC 764.

³⁹(1983) 2 SCC 145.

⁴⁰(1985) 2 SCC 349.

⁴¹AIR 1957 SC 164.

⁴²AIR 1955 SC 271.



the relevant materials alone justified the decision. The Supreme Court rejected this argument, emphasizing that it is impossible to ascertain the extent to which the irrelevant factors influenced the tribunal's conclusions. Consequently, the Court held that a decision founded on mixed considerations is inherently flawed and cannot be upheld.

3. *State of Orissa v. Bidyabhushan Mahapatra*

In this case⁴³, the Supreme Court considered the dismissal of an employee on multiple charges, some of which the High Court had found unproven. The Supreme Court reversed the High Court's decision, holding that if the dismissal could be justified on any of the valid grounds, the Court should not interfere to assess whether that single ground alone would suffice. Justice Shah emphasized that the authority's decision must be upheld if it is supported by substantial misconduct, even if there were procedural irregularities concerning the other charges.

4. *State of Maharashtra v. Babulal Kriparam Takkamore*

In this case⁴⁴, the State Government superseded a municipality based on two grounds, one of which was later found to be extraneous. The Court upheld the supersession, reasoning that the State Government would have acted on the remaining valid ground alone. The Court emphasized that the remaining ground was sufficiently serious to justify the action, even though one of the original grounds was invalid.

5. *Railway Board v. Niranjan Singh*

The Court⁴⁵ reaffirmed the principle established in earlier cases, emphasizing that if a punishment order can be justified based on any finding of substantial misconduct, the Court need not determine whether that single ground was decisive in the authority's decision. The primary consideration is whether there is sufficient evidence of misconduct to support the

action, ensuring that the authority's decision is upheld when properly grounded.

CONTEMPORARY DEVELOPMENTS: RECENT JUDICIAL TRENDS

Recent decisions, in India and abroad, confirm that the doctrinal grounds examined in this paper continue to determine the outcome of high-stakes administrative and quasi-legislative disputes well into the present decade.

V. Vivek Narayan Sharma v. Union of India (2023)- The Demonetisation Case

A five-judge Constitution Bench of the Supreme Court of India⁴⁶ examined the Central Government's 2016 decision to demonetise currency notes under Section 26(1) of the Reserve Bank of India Act, 1934. The majority upheld the decision, holding that the power had not been exercised for a colourable or extraneous purpose and that courts must exercise restraint in reviewing economic policy discretion, intervening only where mala fides, arbitrariness, or unfairness is demonstrated. *Justice B.V. Nagarathna's* dissenting opinion, by contrast, held that the manner in which the power was exercised was flawed. The split illustrates the continuing difficulty a recurring theme throughout this paper of distinguishing a facially lawful exercise of discretion from one improperly influenced by extraneous or insufficiently examined considerations.

Association for Democratic Reforms v. Union of India (2024) - The Electoral Bonds Case

A five-judge Constitution Bench led by Chief Justice D.Y. Chandrachud⁴⁷ struck down the Electoral Bond Scheme, 2018, and connected amendments to the Companies Act, 2013, as "unconstitutional and manifestly arbitrary," holding that removing the cap on corporate political donations without any rational basis for distinguishing profit-making from loss-

⁴³AIR 1963 SC 779.

⁴⁴AIR 1967 SC 1353.

⁴⁵(1969) 1 SCC 502.

⁴⁶V. Vivek Narayan Sharma v. Union of India, (2023) 3 SCC 1.

⁴⁷Association for Democratic Reforms v. Union of India, 2024 INSC 113: (2024) 5 SCC 1.



making companies could not withstand scrutiny under Article 14 of the Constitution. This judgment is a striking contemporary illustration of the irrelevant/relevant considerations and manifest arbitrariness framework discussed throughout this paper, operating not merely against an individual administrative order, as in the classical case law discussed above, but against an entire statutory and regulatory scheme.

Loper Bright Enterprises v. Raimondo (2024): A Comparative Marker

As discussed in the comparative section above, the United States Supreme Court's 2024 decision to overrule Chevron deference reoriented the boundary between administrative discretion and judicial oversight in American law, confirming that the *questio diabolica* this paper examines remains a live constitutional question well beyond Indian shores, and that common law systems continue to converge and diverge on the appropriate intensity of review even in the present decade.

The Continuing Emphasis on Reasoned Decision-Making

Indian courts have continued, in decisions through late 2024⁴⁸, to reaffirm that a reasoned decision is one of the principal safeguards against the abuse of discretion, since a reasoned order ensures a reviewing court that discretion was exercised on relevant grounds and was not influenced by extraneous factors. This continuing judicial emphasis reinforces Suggestion (4) advanced in the concluding section of this paper: that administrative authorities be required, as a matter of law, to record clear reasons for their decisions, particularly in circumstances where relevant factors might otherwise be omitted without visibility to a reviewing court.

Taken together, these developments confirm that the tension between administrative flexibility and legal control identified at the outset of this paper is not a settled historical debate but an active and evolving

frontier of public law, in India and in comparable jurisdictions alike.

CONCLUSION AND SUGGESTIONS

The abuse of administrative discretion poses a significant challenge to the principles of legality and accountability in administrative law. This research underscores how improper exercise of discretion whether through reliance on irrelevant considerations or the omission of relevant factors can result in unjust outcomes and erode public trust in administrative institutions. Judicial precedents reflect a consistent expectation that administrative authorities operate within well-defined legal boundaries. Courts repeatedly emphasize the importance of basing decisions on relevant considerations, noting that failure to do so can render actions invalid. This highlights the necessity for administrative bodies to ensure that their decision-making processes are legally sound, transparent, and accountable. While a certain degree of discretion is essential for effective governance, it is equally important to strike a balance by implementing safeguards that prevent misuse. By establishing clear guidelines and decision-making standards, administrative authorities can reduce the risk of arbitrary actions, protect individual rights, and maintain public confidence in administrative processes.

As the comparative and contemporary discussion above demonstrates, this is not a challenge unique to India: common law systems across the world continue, in the present decade, to refine the tools by which courts test whether administrative discretion has been exercised on proper grounds. The Indian doctrine of abuse of discretion, therefore, should be understood as part of a living and globally shared inheritance rather than a closed or static body of law.

Suggestions for Future Development:

1. It is necessary to develop comprehensive guidelines for the exercise of discretionary powers, explicitly outlining relevant factors to be considered, thus promoting transparency and accountability.

⁴⁸2024 INSC 940 (Supreme Court of India).



2. It is essential to provide regular training for administrative officials on the principles of administrative law, focusing on proper discretion use and the significance of including relevant considerations.
3. There is a need to create independent review bodies to monitor administrative decisions and ensure adherence to established guidelines, which can help reduce instances of abuse.
4. There is a need to mandate that administrative authorities provide clear reasoning for their decisions, especially when relevant factors are omitted, enhancing accountability and facilitating judicial review.
5. Courts should continue to clarify the boundaries of administrative discretion through judicial interpretation, helping to differentiate between proper and improper uses of such powers.
6. Indian courts and legislators may draw on comparative developments such as the United States' recalibration of agency deference after *Loper Bright Enterprises v. Raimondo* and the United Kingdom's calibrated 'weight and balance' approach in *Kennedy v Charity Commission* to refine the standard of review applied to discretionary administrative action, ensuring that the Indian framework remains responsive to global best practice while staying firmly anchored in Articles 14 and 21 of the Constitution.
