CA Arpit Haldia

GST V/s Pre-GST Regime-Interpretation of previous regime by Highest Court how far applicable-Where a word of doubtful meaning has received a clear judicial interpretation, the subsequent statute which incorporates the same word in a similar context, it must be construed that the word is interpreted according to the meaning that was previously assigned to it.

S. N.	Case	Held
1.	**P. Vajravelu Mudaliar vs Special Deputy Collector, Madras** Equivalent citations: 1965 AIR 1017, 1965 SCR (1) 614	The fact that Parliament used the same expressions, namely, "compensation" and "principles" as were found in Art. 31 before the Amendment is a clear indication that it accepted the meaning given by this Court to those expressions in Mrs. Bela Banerjee's case(1). **Hon'ble Apex Court further observed that i**n Craies on Statute Law, 6th Edn., at p. 167, the relevant principle of construction is stated thus: "There is a well-known principle of construction, 'that where the legislature used in an Act a legal term which has received judicial interpretation, it must be assumed that the term is used in the sense in which it has been judicially interpreted unless a contrary intention appears." ***The said two expressions in Art. 31 (2), before the Constitution (Fourth Amendment) Act, have received an authoritative interpretation by the highest court in the land and it must be presume that Parliament did not intend to depart from the meaning given by this Court to the said expressions.***
2.	**Banarasi Devi vs Income-Tax Officer, Calcutta** 1964 AIR 1742	The relevant rule of construction is clearly stated by Viscount Buckmaster in Barras v. Aberdeen Steam Trawling and Fishing Co. Ltd.(2) thus: ***"It has long been a well established principle to be applied in the consideration of Act of Parliament that where a word of doubtful meaning has received a clear judicial interpretation the subsequent statute which incorporates the same word or the same phrase in a similar context, must be construed so that the word or phrase is interpreted according to the meaning that has previously assigned to it."***
3.	**M/S. Bangalore Club vs The Commissioner Of Wealth Tax on 8 September, 2020**	It is well-settled that when Parliament used the expression "association of persons" in Section 21AA of the Wealth Tax Act, it must be presumed to know that this expression had been the subject matter of comment in a cognate allied legislation, namely, the Income Tax Act, as referring to persons banding together for a common purpose, being a business purpose in the context of a taxation statute in order to earn income or profits. This presumption is felicitously referred to in the following judgments.
4.	**Shree Bhagwati Steel Rolling Mills v. CCE** (2016) 3 SCC 643,	It is settled law that Parliament is presumed to know the law when it enacts a particular piece of legislation. ***The Prevention of Corruption Act was passed in the year 1988, that is long after 1969 when the Constitution Bench decision in Rayala Corpn. [Rayala Corpn. (P) Ltd. v. Director of Enforcement, (1969) 2 SCC 412] had been delivered. It is, therefore, presumed that Parliament enacted Section 31 knowing that the decision in Rayala Corpn. [Rayala Corpn. (P) Ltd. v. Director of Enforcement, (1969) 2 SCC 412] had stated that an omission would not amount to a repeal and it is for this reason that Section 31 was enacted.*** This again does not take us further as this statement of the law in Rayala Corpn. [Rayala Corpn. (P) Ltd. v. Director of Enforcement, (1969) 2 SCC 412] is no longer the law declared by the Supreme Court after the decision in Fibre Board case [Fibre Boards (P) Ltd. v. CIT, (2015) 10 SCC 333]. This reason therefore again cannot avail the appellant.
5.	**Sakal Deep Sahai Srivastava vs Union Of India & Anr** 1974 AIR 338, 1974 SCR (2) 485	But, our difficulty is that the question appears to us to be no longer open for consideration afresh by us, or, at any rate, it is not advisable to review the authorities of this Court, after such a lapse of time when, despite the view taken by this Court that Article 102 of the Limitation Act of 1908 was applicable to such cases, the Limitation Act of 1963 had been passed repeating the law, contained in Articles 102 and 120 of the Limitation Act of 1908, in identical terms without any modification. ***The Legislature must be presumed to be cognizant of the view of, this Court that a claim of the nature before us, for arrears of salary, falls within the purview of Article 102 of the Limitation Act of 1908. If Parliament, which is deemed to be aware of the declaration of law by this Court, did not alter the law, it must be deemed to have accepted the interpretation of this Court even though the correctness of it may be open to doubt. If doubts had arisen, it was for the Legislature to clear these doubts. When the Legislature has not done so, despite the repeal of the Limitation Act of 1908, and the enactment of the Limitation Act of 1963 after the decisions of this Court, embodying a possible questionable view, we think it is expedient and proper to over-rule the submission made on behalf of the appellant that the correctness of the view adopted by this Court in its decisions on the question so far should be re-examined by a larger Bench.***
6.	**The Panchayat Board. vs The Western India Matches Company (1939) 1 MLJ 588 (Mad)**	Viscount Buckmaster went on to quote the words of James, L.J., in Ex parte Campbell (1870) 5 Ch. 703, where he observed: ***Where once certain words in an Act of Parliament have received a judicial construction in one of the superior Courts, and the Legislature has repeated them without alteration in a subsequent statute, I conceive that the Legislature must be taken to have used them according to the meaning which a Court of competent jurisdiction has given to them.***