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## UNION OF INDIA &amp; ORS.

v.

R. C. JAIN &amp; ORS.

February 17, 1981

B

[R. S. PATHAK, O. CHINNAPPA REDDY AND BAHARUL ISLAM, JJ.]

*Payment of Bonus Act, 1965—Section 32(iv)—Whether applicable to Delhi Development Authority—Tests for determining whether a body is a local authority.*

C

Section 32(iv) of the Payment of Bonus Act provides that nothing in the Act shall apply to employees employed by an establishment engaged in any industry carried on by or under the authority of any department of the Central Government or State Government or a local authority.

The Delhi Development Authority, a statutory body created under the Delhi Development Act, 1957 for the development of Delhi according to plan, paid bonus to its employees for a period of ten years upto the year 1973-74, but later discontinued payment of bonus on the advice of the Ministry of Law.

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The employees' petition impugning the action of the Authority in stopping the payment of bonus was allowed by the High Court.

On the question whether the Delhi Development Authority is a "local authority" and whether the provisions of the Payment of Bonus Act are attracted :

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Allowing the appeal,

HELD : The Delhi Development Authority is endowed with all the usual attributes and characteristics of a 'local authority' and therefore the provisions of the Payment of Bonus Act are not attracted. [865 A]

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The expression 'local authority' is not defined in the Payment of Bonus Act. The General Clauses Act defines it to mean a municipal committee or other authority legally entitled to or entrusted by the Government with the control or management of a municipal or local fund. It is not a sound rule of interpretation to import the definition of an expression in one Act into another. The definition of 'Local Fund' in the Fundamental Rules, Treasury Code and elsewhere cannot be imported into the definition of Local Authority in the General Clauses Act and thus into the Delhi Development Act. An authority, in order to be a local authority, must be of like nature and character as a municipal committee etc. possessing among others many, if not all, of the distinctive attributes and characteristics of a municipal committee. It must possess one essential feature, namely, that it is legally entitled to or entrusted by the Government with the control and management of a municipal or local fund. [857 B-H]

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The distinctive attributes and characteristics of a local authority are :

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(i) It must have separate legal existence as a corporate body; (ii) it must not be a mere governmental agency but a legally independent entity; (iii) it must function in a defined area and must ordinarily be elected wholly or partly,

directly or indirectly by the inhabitants of the area; (iv) it must enjoy a certain degree of autonomy, which, though not complete, must be appreciable; (v) the statute must entrust the authority with such governmental functions and duties as are usually entrusted to a municipal body for providing such amenities, as health and education services, water and sewerage, town planning and development, roads, markets, transportation etc. to the inhabitants; (vi) it must have power to raise funds in the furtherance of its activities and the fulfilment of the projects entrusted to it by levying taxes, rates, charges, fees etc. all of which may be in addition to the moneys provided by Government. What is essential is that the control and management of the fund must vest in the authority.

[858 B-E]

*Municipal Corporation of Delhi v. Birla Cotton, Spinning & Weaving Mills Delhi & Anr.* [1968] 3 S.C.R. 251 @ 288 and *Valjibhai Muljibhai Soneji and Anr. v. The State of Bombay (Now Gujarat) & Ors.* [1964] 3 S.C.R. 868, referred to.

The Delhi Development Authority is a body corporate. It consists of a chairman, vice chairman and a certain number of official members and non-official members who are representatives of the Municipal Corporation Delhi to be elected by the Councillors and the aldermen of the Municipal Corporation and three representatives of the Metropolitan Council to be elected by that Council. The object with which the Authority is established is "to promote and secure the development of Delhi according to plan" in accordance with the provisions of the Act. [859 D-F]

The Authority is required to maintain its own Fund which was not a Consolidated Fund or a separate Development Fund but is the Fund of the Development Authority. To this Fund are to be credited all the moneys received from the Central Government by way of grants, loans, advances or otherwise; all moneys received by way of loans of debentures; all fees and charges received by the Authority; all moneys received from the disposal of lands, buildings and other properties, all moneys received by way of rents and profits or in any other manner. The fund is required to be applied towards meeting the expenses incurred by the Authority in the administration of the Act and for no other purposes. The Act empowers the Authority to impose penalties on persons for undertaking or carrying out development in contravention of the master plan or without permission, approval or sanction required to be given by the Authority. [860 E-G]

An equally important feature with which the Authority is clothed is its power to make regulations—a power which is analogous to the power given to municipalities to frame bye-laws. [862 G]

The salient features of the Act show that the Delhi Development Authority is constituted for the specific purpose of planned development of Delhi which is a governmental function ordinarily entrusted to municipal bodies. It has an element of popular representation though some of the members are indirectly elected. It enjoys a considerable degree of autonomy within the bounds prescribed by the Act. The fact that some supervision is exercised by the Central Government does not detract from the autonomy because the supervision exercised is the usual supervisory power which every State Government exercises over municipalities, District Boards etc. [863 A-D]

The term "taxation" used with reference to the power of a local authority to raise funds is to be understood not in any fine and narrow sense to include

**A** only compulsory exactions but in a broad generic sense to include fees levied essentially for services rendered. Today the distinction between a tax and a fee has withered away both being compulsory exactions of money by a public authority. The crucial test is to see whether the public authority is authorised by statute to make a compulsory extension of money and not to see whether the money so exacted is to be utilised for specific or general purposes.

[863 G-H]

**B**

There is no valid reason to hold that the betterment charge which the Authority can impose upon an owner of a property in respect of the increase in the value of the property is a fee and not a tax. The charge is not levied on the basis of the increase in the value of property consequent on the development of the area. In other words it is a charge on the accrued capital gain which may bear no proportion whatsoever to the cost of development. [864 E]

**C**

The fact that the Delhi Development Act refers in several sections to "local authority concerned" meaning thereby the ordinary local authority (as for example the Delhi Municipal Corporation) functioning in the area discharging a multiplicity of civic functions as distinguished from the Delhi Development Authority, which performs one of the several functions that a local authority performs, is no ground for holding that the Delhi Development Authority is not a local authority. The Authority is endowed with all the usual attributes and characteristics of a local authority. [864 H]

**D**

Nor does the fact that other Municipal Acts provide for the reconstitution of a dissolved or superseded municipality while the Delhi Development Act does not provide for such reconstitution of the Authority after it fulfills its assigned functions make it any the less a local authority. By the very nature of the work entrusted to it its life is transient; when the work is accomplished and there is no need for its continued existence it is dissolved. It is by what it is during its life and not by what its shape would be after it has performed its assigned functions that it can be determined whether the authority is a local authority as defined in the General Clauses Act. [865 B-D]

**E**

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 3351 of 1979.

**F**

Appeal by Special Leave from the Judgment and Order dated 27-2-1979 of the Delhi High Court in Civil Writ No. 1139/78.

*Abdul Khader, S. P. Nayar and Miss A. Subhashini* for the Appellant.

*P. R. Mirdul and P. N. Gupta* for Respondents 1-5.

**G**

The Judgment of the Court was delivered by

CHINNAPPA REDDY, J.—The question for consideration in this appeal is whether the Delhi Development Authority is a 'local Authority' whose employees are taken out of the purview of the Payment of Bonus Act 1965, by Sec. 32(iv) of that Act, which provides that nothing in the Act shall apply to employees employed by an establishment engaged in any industry carried on by or under the authority of any Department of the Central Government or State Government or

**H**

a Local Authority. It appears that for about ten years prior to 1973-74 bonus was paid to the employees of the Delhi Development Authority but it was stopped thereafter on the advice of the Ministry of Law. The employees questioned the stoppage of the payment of bonus by filing Civil Writ Petition No. 1139/79 in the Delhi High Court. The High Court allowed the Writ Petition and the Union of India and the Delhi Development Authority have preferred this appeal, after obtaining special leave of this Court under Art. 136 of the Constitution. The expression 'Local Authority' is not defined in the payment of Bonus Act. One must, therefore, turn to the General Clauses Act to ascertain the meaning of the expression. S.3(31) defines Local Authority as follows :

"Local Authority shall mean a Municipal Committee, District Board, Body of Port Commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of a municipal or local fund".

'Local Fund' is again not defined in the General Clauses Act. Though the expression appears to have received treatment in the Fundamental Rules and the Treasury Code, we refrain from borrowing the meaning attributed to the expression in those rules as it is not a sound rule of interpretation to seek the meaning of words used in an Act, in the definition clause of other statutes. The definition of an expression in one Act must not be imported into another. "It would be a new terror in the construction of Acts of Parliament if we were required to limit a word to an unnatural sense because in some Act which is not incorporated or referred to such an interpretation is given to it for the purposes of that Act alone" (per Loreburn L.C. in *Macbeth v. Chislett*.<sup>(1)</sup>). For the same reason we refrain from borrowing upon the definition of 'Local Authority' in enactments such as the Cattle Trespass Act 1871 etc. as the High Court has done.

Let us, therefore, concentrate and confine our attention and enquiry to the definition of 'Local Authority' in Sec.3(31) of the General Clauses Act. A proper and careful scrutiny of the language of Sec.3(31) suggests that an authority in order to be a local Authority, must be of like nature and character as a Municipal Committee, District Board or Body of Port Commissioners, possessing, therefore, many, if not all, of the distinctive attributes and characteristics of a Municipal Committee, District Board, or Body of Port Commissioners, but, possessing one essential feature, namely, that it is legally entitled to or entrusted by the Government with, the control and management, of a municipal or local fund. What then are the distinctive attributes

(1) [1910] AC 220

- A** and characteristics, all or many of which a Municipal Committee, District Board or Body of Port Commissioners shares with any other local authority? First, the authorities must have separate legal existence as Corporate bodies. They must not be mere Governmental agencies but must be legally independent entities. Next, they must function in a defined area and must ordinarily, wholly or partly,
- B** directly or indirectly, be elected by the inhabitants of the area. Next, they must enjoy a certain degree of autonomy, with freedom to decide for themselves questions of policy affecting the area administered by them. The autonomy may not be complete and the degree of the dependence may vary considerably but, an appreciable measure of
- C** autonomy there must be. Next, they must be entrusted by Statute with such Governmental functions and duties as are usually entrusted to municipal bodies, such as those connected with providing amenities to the inhabitants of the locality, like health and education services, water and sewerage, town planning and development, roads, markets, transportation, social welfare services etc. etc. Broadly we may say
- D** that they may be entrusted with the performance of civic duties and functions which would otherwise be Governmental duties and functions. Finally, they must have the power to raise funds for the furtherance of their activities and the fulfilment of their projects by levying taxes, rates, charges, or fees. This may be in addition to moneys provided by Government or obtained by borrowing or other-
- E** wise. What is essential is that control or management of the fund must vest in the authority.

*In Municipal Corporation of Delhi v. Birla Cotton, Spinning & Weaving Mills Delhi & Anr.*,<sup>(1)</sup> Hidayatullah, J., described some of the attributes of local bodies in this manner :

- F** "Local bodies are subordinate branches of governmental activity. They are democratic institutions managed by the representatives of the people. They function for public purposes and take away a part of the government affairs in local areas. They are political sub divisions and agencies which exercise a part of State functions. As they are
- G** intended to carry on local self-government the power of taxation is a necessary adjunct to their other powers. They function under the supervision of the Government".

- H** In *Valjibhai Muljibhai Soneji and Anr. v. The State of Bombay (Now Gujarat) & Ors.*<sup>(2)</sup> one of the questions was whether the State Trading Corporation was a local Authority as

(1) [1968] 3 S.C.R. 251 @ 288.

(2) [1964] 3 S.C.R. 686

defined by Sec. 3(31) of the General Clauses Act, 1897. It was held that it was not, because it was not an authority legally entitled to or entrusted by the Government with, control or management of a local fund. It was observed that though the Corporation was furnished with funds by the Government for commencing its business that would not make the funds of the Corporation 'local funds'.

Keeping in mind what we have said above, we may now take a close look at the provisions of the Delhi Development Act. The Delhi Development Act, 1957, is 'an Act to provide for the development of Delhi according to plan and for matters ancillary thereto'. The act extends to the whole of the Union Territory of Delhi. Sec. 2(d) defines "development" as meaning, with its grammatical variations "the carrying out of building, engineering, mining or other operations in, on, over or under land or the making of any material change in any building or land and includes redevelopment'. Sec. 3 empowers the Central Government to constitute an authority to be called the Delhi Development Authority. The Authority is to be a body corporate having perpetual succession and a common seal, with the usual corporate attributes. The authority is to consist of a chairman, a Vice Chairman and a certain number of official and non-official members. The non-official members are to include two representatives of the Municipal Corporation of Delhi to be elected by the Councillors and aldermen of the Municipal Corporation from among themselves and three representatives of the Metropolitan Council for the Union Territory of Delhi to be elected by the members of the Metropolitan Council from among themselves. The objects of the authority as set out in Sec. 6 are "to promote and secure the development of Delhi according to plan" and for that purpose to "have the power to acquire, hold and dispose of land and other property", and "to carry out building, engineering, mining and other operations, to execute works in connection with supply of water and electricity, disposal of sewage and other services and amenities and generally to do anything necessary or expedient for purposes of such development and for purposes incidental thereto". Sec.7 requires the Authority to carry out a civic survey of, and prepare a master plan for, Delhi. The master plan is to define various zones into which Delhi may be divided for the purposes of development and indicate the manner in which the land in each zone is proposed to be used (whether by the carrying out thereon of development or otherwise) and the stages by which any such development shall be carried out. The master plan may also provide for any other matter which is necessary for the proper development of Delhi. Sec.8 provides for the preparation of zonal development plans and Sec.8(2) prescribes what a zonal deve-

- A** lopment plan may contain or specify. Sec.9 provides for the submission of all plans to the Central Government by the Authority for approval. Sec. 12 empowers the Central Government to declare any area in Delhi to be a 'development area' for the purposes of the Act. It further provides that after the commencement of the Act no development of land shall be undertaken or carried out, without the permission of the Authority, if the area is a development area, and without the approval or sanction of the local authority concerned if the area is an area other than a development area. Sec.13 prescribes the procedure to be followed. It provides for a fee (to be prescribed by the Rules) to accompany every application to obtain permission under Sec. 12. Sec. 15 empowers the Central Government to acquire
- C** any land which is required for the purpose of development or for any other purpose under the Act. After acquiring the land the Central Government may transfer the land to the Authority or any local authority on payment by the Authority or the local authority of the compensation awarded under the Land Acquisition Act and all the charges incurred by the Government. Thereafter, subject to any
- D** directions given by the Central Government the Authority or, as the case may be, the local authority concerned may dispose of the land, after or without undertaking or carrying out any development thereon, to such persons, in such manner and subject to such terms and conditions as it considers expedient for securing the development of Delhi according to plan. Sec. 22 authorises the Central Government to
- E** place at the disposal of the Authority all or any developed and undeveloped lands in Delhi vested in the Union for the purpose of development in accordance with the provisions of the Act. Sec. 23 obliges the Authority to have and maintain its own fund to which are to be credited—
- F**           “(a) all moneys received by the Authority from the Central Government by way of grants, loans, advances or otherwise;
- (aa) all moneys received by the Authority from sources other than the Central Government by way of loans or debentures;
- G**           (b) all fees and charges received by the Authority under this Act;
- (c) all moneys received by the Authority from the disposal of lands, buildings and other properties, movable and immovable; and
- H**           (d) all moneys received by the Authority by way of rents and profits or in any other manner or from any other source.”

The fund is required by S.23(2) to be applied towards meeting the expenses incurred by the Authority in the administration of the Act and for no other purposes. Sec. 24 enjoins a duty on the authority to prepare a budget in respect of the financial year next ensuing showing the estimated receipts and expenditure. Copies of the budget are to be forwarded to the Central Government. Sec. 25 requires the accounts of the Authority to be audited annually by the Comptroller and Auditor General of India. Sec. 26 requires the Authority to prepare a report of its activities and submit the same to the Central Government. Sec. 27 provides for the constitution of pension and Provident Funds. Sec. 28 empowers the authority to authorise any person to enter into or upon any land or building with or without assistance of workmen for the purposes specified in the Section. Sec. 29 provides for penalties for persons undertaking or carrying out development in contravention of the master plan or zonal development plan or without permission, approval or sanction required by Sec. 12. Sec. 30 provides for the making of an order of demolition of a building where development has been commenced or completed in contravention of the master plan, zonal plans or the permission, approval or sanction referred to in Sec. 12. Sec. 31 enables the Authority to make an order requiring development to be discontinued where development has been commenced in contravention of the master plan or zonal development plan or without obtaining permission, approval or sanction as required by Sec. 12. Sec. 33 provides that all fines realised in connection with prosecutions under the Act shall be paid to the Authority or, as the case may be, the local authority concerned. Sec. 36 empowers the Authority to require the local authority within whose local limits an area has been developed to assume responsibility for the maintenance of amenities which have been provided in the area by the Authority and for the provision of the amenities which have not been provided by the Authority. Sec. 37 empowers the Authority to levy upon the owner of a property or any person having an interest therein a *betterment charge* in respect of the increase in value of the property as a consequence of any development having been executed by the Authority in any development area or as a consequence of any area other than a development area having been benefited by the development. Sec. 38 provides for the assessment of betterment charge by the Authority and Sec. 39 provides for the settlement of betterment charges by Arbitrators to be appointed by the Central Government. Sec. 40(2) authorises the recovery of any arrear of betterment charge as an arrear of land revenue. Sec. 40A further provides that any money due to the Authority on account of fees or charges, or from the disposal of lands, buildings or other properties

- A** to be recovered by the Authority as arrears of land revenue. Sec. 41 obliges the Authority to carry out such directions as may be issued to it from time to time by the Central Government. Sec. 42 requires the Authority to furnish reports, returns and other information to the Central Government as may be required from time to time. Sec. 46 provides for the authentication of permissions, orders, decisions, notices and other documents by the Secretary or any other officer authorised by the Authority in that behalf. Sec. 47 declares every member and every officer and other employee of the Authority to be a public servant within the meaning of Sec. 21 of the Indian Penal Code. Sec. 52 enables the Authority to delegate any power exercisable by it under the Act except the power to make regulations to such officer or local Authority as may be mentioned in the notification. Sec. 56 empowers the Central Government to make rules and Sec. 57 enables the Authority, with the previous approval of the Central Government to make regulations consistent with the Act and the rules made thereunder to carry out the purposes of the Act.
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- C**
- D** Every rule and every regulation made under the Act is required to be laid before each House of Parliament by Sec. 58. Sec. 59 empowers the Central Government to dissolve the authority if it is satisfied that the purposes for which the authority was established have been substantially achieved so as to render unnecessary its continued existence.
- E** We see that the Delhi Development Authority is constituted for the specific purpose of 'the development of Delhi according to plan'. Planned development of towns is a Governmental function which is traditionally entrusted by the various Municipal Acts in different States to municipal bodies. With growing specialisation, along with the growth of titanic metropolitan complexes, legislatures have felt the need for the creation of separate town-planning or development authorities for individual cities. The Delhi Development Authority is one such. It is thus an authority, to which is entrusted by Statute a Governmental function ordinarily entrusted to municipal bodies. An important feature of the entrustment of Governmental function is the power given to the Authority to make regulations (which are required to be laid before Parliament). The power to make regulation is analogous to the power usually given to municipalities to frame bye-laws.
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- H** The activities of the Authority are limited to the local area of the Union Territory of Delhi. The High Court appears to have assumed that the Delhi Development Authority has extra-territorial powers extending to peripheral areas in the adjoining States. There is no basis in the Statute for the assumption made by the High Court.

There is then an element of popular representation in the constitution of the Authority. Representatives of the inhabitants of the locality, three elected from among the members of the Delhi Municipal Corporation and two elected from among the members of the Delhi Metropolitan Council, figure among its members. **A**

What of autonomy? The Master Plan and the Zonal plans prepared by the Authority have to be approved by the Central Government, the budget has to be forwarded to the Central Government, annual returns have to be submitted to the Government and the directions that the Central Government may give have to be carried out. But within these bounds, the Authority enjoys a considerable degree of autonomy, as is seen from the summary of the provisions of the Act which has been set out by us. The powers of the Central Government over the Delhi Development Authority are the usual supervisory powers which every State Government exercises over municipalities, district boards etc. Such powers of supervision do not make the municipalities disautonomous and mere satellites. **B**  
**C**

We finally come to the important question whether the legislature has vested any power of taxation in the Authority. **D**

One of the submissions of the learned counsel for the respondent was that the fund of the Authority, required to be maintained by Sec. 23 of the Delhi Development Act, was not a local fund as no part of it flowed directly from any taxing power vested in the Delhi Development Authority. The submission of the learned counsel was that the fees collected under Sec. 12 of the Act and the charges levied under Sec. 37 of the Act did not part-take the character of tax but were mere fees which were the *quid pro quo* for the services which were required to be performed by the Delhi Development Authority under the Act. We were referred to *Hingir-Rampur Coal Co. Ltd. & Ors. v. The State of Orissa & Ors.*<sup>(1)</sup> We are unable to agree with the submission made on behalf of the respondents. In the first place when it is said that one of the attributes of a local authority is the power to raise funds by the method of taxation, taxation is to be understood not in any fine and narrow sense as to include only those compulsory exactions of money imposed for public purpose and requiring no consideration to sustain it, but in a broad generic sense as to also include fees levied essentially for services rendered. It is now well recognised that there is no generic difference between a tax and a fee; both are compulsory exactions of money by public authority. In deciding the question whether an authority is a local authority, our concern is only to find out whether the public **E**  
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(1) [1961] 2 S.C.R. 537

**A** authority is authorised by Statute to make a compulsory exaction of money and not with the further question whether the money so exacted is to be utilised for specific or general purposes. In the second place the Delhi Development Authority is constituted for the sole purpose of the planned development of Delhi and no other purpose and there is a merger, as it were, of specific and general purposes. The statutory situation is such that the distinction between tax and fee has withered away. In the third place we see no reason to hold that the charge contemplated by Sec. 37 is a fee and not a tax. The case cited: *The Hingir-Rampur Coal Co. Ltd. & Ors. v. The State of Orissa & Ors.*,<sup>(1)</sup> has no application. That was a case where the Government was empowered to levy a cess for the purpose of the development of the mining areas in the State. The cess levied was not to become a part of the consolidated fund and was not subject to an appropriation in that behalf; it went into the special fund earmarked for carrying out the purpose of the Act. There was a definite correlation between the proposed services and the impost levied and it could be legitimately claimed that the rate-payer in substance was compensating the State for the services rendered by it to him. In the present case there is no consolidated fund and no separate development fund. There is only one fund, the Fund of the Delhi Development Authority. What is more important, nor is there any question of any co-relation between the betterment charge and the expenditure incurred by the Authority in carrying out the purposes of the Act. The charge is not levied on the basis of the expenditure incurred. It is levied on the basis of the increase in the value of the property consequent on the development of the area; one may say the charge is on the accrued capital gain; it may bear no proportion whatsoever to the cost of development.

**F** A submission of the learned counsel was that the Delhi Development Act itself referred in several places to local authorities as distinguished from Delhi Development Authority. It is true that in Sections 12, 15, 30, 31, 34, 36, 42 and some other provisions we find a reference to 'local authority concerned' meaning thereby the ordinary local authority functioning in the area discharging a multiplicity of civic functions. The Delhi Municipal Corporation for example is one such local authority. The Delhi Development Authority is constituted for performing one of the several functions which a local authority may perform. That the local authorities performing other functions are referred to as 'local authorities' in the Act by which the Delhi Development Authority is created, while the Delhi Development Authority is referred to as the Authority, is no ground for holding

(1) [1961] 2 S.C.R. 537

that the Delhi Development Authority is not a 'local authority' as defined by Sec. 3(31) of the General Clauses Act. The Delhi Development Authority is endowed with all the usual attributes and characteristics of a 'local authority' and there is no reason to hold that it is not a 'local authority'.

Another submission of the learned counsel which was pressed upon us was that every statute dealing with municipalities and providing for their supersession and/or dissolution invariably provided for reconstitution of the municipality after a stipulated period whereas dissolution in the case of the Delhi Development Authority meant a complete extinction of the authority since the Act did not provide for its reconstitution. Our attention was drawn to the municipalities Acts of various States. We are unable to see the force of the submission. The very nature of the work entrusted by the legislature to the development authority is such that its life can be but transient. When the work is accomplished and there is no need for its continued existence it is dissolved and its life becomes extinct. It is by what it is during its life and not by the consideration whether there is life after death and whether it can have many lives, that we determine whether the Delhi Development Authority is a local authority as defined in S.3(31) of the General Clauses Act.

On a consideration of all the aspects of the matter placed before us we are of the opinion that the Delhi Development Authority is a Local Authority and therefore, the provision of the Payment of Bonus Act are not attracted. The result, therefore, is that the appeal is allowed and the Writ Petition filed in the High Court is dismissed. However, we do wish to observe that the Delhi Development Authority may not only be a model for development activities but may strive to be a model employer too. Bonus was paid to the employees for over ten years and we were not told of any reason for withdrawing this benefit from the employees. Merely because the Law Department advised that they were not bound to pay bonus, they were not obliged to withdraw the benefit. The question which ought to have been considered was not whether they were legally bound to pay bonus but whether in the context of sound management—labour relations, bonus should continue to be paid. It is a matter which we earnestly desire the Delhi Development Authority may reconsider. There is no order as to costs.

P.B.R.

*Appeal allowed.*