



ISSN: 2583-7753

LAWFOYER INTERNATIONAL JOURNAL OF DOCTRINAL LEGAL RESEARCH

[ISSN: 2583-7753]

Volume 4 | Issue 1

2026

DOI: <https://doi.org/10.70183/lijdlr.2026.v04.69>

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CASE ANALYSIS: KARNAIL SINGH AND ANOTHER V. DARSHAN SINGH AND OTHERS (1995) SUPP (2) SCC 281 (SC)

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I. ABSTRACT

The case of Karnail Singh and Another v. Darshan Singh and Others (1995) relates to the powers of the State Government in reorganizing and amalgamating the Gram Sabhas as per the Punjab Gram Panchayat Act, 1952. The case arose when the Haryana Government issued a notification for the amalgamation of two Gram Sabhas as a single unit for administrative purposes in the district of Kurukshetra. The respondents challenged the government's decision before the Punjab and Haryana High Court, which set aside the government's decision on the basis that the functioning of the Gram Sabhas should not be interfered with merely due to the abuse of power by local government officials. The case was later referred to the Supreme Court of India. The Supreme Court was called upon to examine the question of whether the government had the powers to reorganize the Gram Sabha areas as per the relevant statutory provisions and whether such decisions could be interfered with by the judiciary. The judgment reiterated the discretionary powers of the government in reorganizing the local self-governments for the better administration of the regions.

II. KEYWORDS

Gram Sabha, Panchayat Raj, administrative discretion, Punjab Gram Panchayat Act, local self-government.

III. INTRODUCTION

Karnail Singh and Others v. Darshan Singh and Others was an important case decided by the Supreme Court of India, dealing with the jurisdiction and powers of the State Government in reorganising the territorial jurisdiction of Gram Sabhas under the Punjab Gram Panchayat Act, 1952. The decision assumes importance in the context of the broader debate on the limits of State intervention in the organisational structure

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of local self-governance. It raises pertinent concerns regarding the extent of administrative control vested in the State Government and the autonomy of local-level democratic institutions.

Gram Sabhas and Gram Panchayats are the basic units of rural self-governance in India. These organisations play an important role in facilitating participatory democracy and enabling local level communities to participate in the decision-making process in matters related to their social and economic development. The enabling legislation on Panchayati Raj Institutions generally confers certain powers on the State Government to modify or reorganise the territorial jurisdiction of Gram Sabhas, including the authority to amalgamate Gram Sabhas where administrative convenience so requires. However, any examination of the powers of the State Government in this context would necessarily have to be seen in the context of the constitutional provisions regarding local self-governments.

A significant shift occurred with the promulgation of the Constitution (Seventy-Third Amendment) Act, 1992, which inserted Part IX (Articles 243 to 243-O) into the Constitution of India. With effect from 24 April 1993, this Amendment enhanced the constitutional status of Panchayati Raj Institutions, including Gram Sabhas, by recognising them as units of democratic decentralisation.

However, the notification for amalgamation in the present case was issued in the immediate aftermath of the Amendment, and the dispute continued to be governed primarily by the statutory framework of the Punjab Gram Panchayat Act, 1952. While the Amendment provides an important constitutional backdrop, its direct operative impact on the dispute remained limited, as the case turned principally on the interpretation of statutory powers under the 1952 Act.

The controversy arose when the State Government issued a notification merging the Gram Sabhas of Bhorakh and Harigarh into a single entity. This decision was challenged before the Punjab and Haryana High Court, which declared the notification invalid on the ground that it could not be legally sustained. The matter subsequently came before the Supreme Court, which was required to evaluate the

validity of the notification and determine the extent of the State Government's power to reorganize local self-governance institutions.

In this context, the present paper attempts to evaluate the constitutional issues arising out of the decision taken by the Supreme Court and assess the implications of the decision taken by the Supreme Court on the governance of Panchayati Raj Institutions. In this regard, the discussion starts with an overview of the factual context and procedural history of the decision taken by the Supreme Court. It then evaluates the issues and arguments taken into account by the Supreme Court in its decision, followed by an assessment of the implications of the decision taken by the Supreme Court.

IV. FACTUAL & PROCEDURAL BACKGROUND OF THE CASE

The dispute arose in the State of Haryana, where two different Gram Sabhas, i.e., Bhorakh and Harigarh, had been constituted earlier and were functioning separately. The Gram Panchayat of Bhorakh passed a resolution in 1991 to the Government of the State of Haryana to amalgamate the two Gram Sabhas into a single entity. Consequent to the above resolution, an inquiry was held by the Block Development and Panchayat Officer of the district, who recommended the amalgamation of the two Gram Sabhas. The Deputy Commissioner of the district, however, initially recommended that the two Panchayats should function separately.

Subsequently, a representation was made to the Government of the State of Haryana by the people of the area against the alleged improper exercise of power by the then Sarpanch of the Gram Panchayat. An inquiry conducted by the Director of Panchayats revealed that the then Sarpanch had obtained fictitious court decrees in the names of third parties and had illegally occupied a large portion of the land belonging to the Gram Panchayat. The Government then decided to amalgamate the two Gram Sabhas to avoid any further improper handling of the administration.

Accordingly, the State Government issued a notification under Section 4 of the Punjab Gram Panchayat Act, 1952, amalgamating the Gram Sabhas of Bhorakh and Harigarh into one Gram Sabha.

The respondents challenged this notification before the Punjab and Haryana High Court. The learned Single Judge quashed the notification on the ground that the misuse of power by the Sarpanch could be checked through other means and the functioning of two Gram Sabhas, which are validly constituted, should not be interfered with. The Division Bench of the High Court dismissed the State's appeal, and hence, the appellants approached the Supreme Court through a Special Leave Petition.

V. LEGAL ISSUES INVOLVED IN THE CASE

1. Whether the State Government, acting under Section 4 of the Punjab Gram Panchayat Act, 1952, possesses the statutory authority to amalgamate two independently constituted Gram Sabhas?
2. Whether the decision of the Punjab and Haryana High Court to quash the government notification ordering the amalgamation of Gram Sabhas was legally sustainable?
3. Whether and to what extent administrative decisions relating to the reorganisation of local self-government institutions are subject to judicial review by constitutional courts?
4. Whether allegations of misuse of authority or maladministration by local officials constitute a valid administrative basis for the State Government to undertake the reorganisation or amalgamation of Gram Sabhas?

VI. LEGAL PROVISIONS INVOLVED

The statutory framework governing the dispute is primarily derived from the Punjab Gram Panchayat Act, 1952. Section 3 provides for the constitution of Gram Sabhas, while Section 4 empowers the State Government to declare, alter, include, exclude, and amalgamate village areas for the purpose of reorganising Gram Sabhas. These provisions confer broad discretionary authority upon the State in matters of local administrative restructuring, subject to the limits of judicial review.

VII. ARGUMENTS OF THE PARTIES

A. Appellants

It was the contention of the appellants that the State Government had remained within the scope of its statutory powers as conferred upon it by Section 4 of the Punjab Gram Panchayat Act, 1952, in the issuance of the notification for the amalgamation of the two Gram Sabhas. According to the appellants, the Act specifically provides for the reorganization of the areas of the Gram Sabha as and when the government considers it efficient for the purpose of administration.

It was further the contention of the appellants that the High Court had exceeded its jurisdiction in interfering with the policy decisions of the government. The appellants stated that the decision for the amalgamation had been arrived at only after the government had conducted inquiries and received reports from various administrative authorities. Therefore, the decision cannot be considered to have been arrived at arbitrarily or unreasonably.

Moreover, the appellants emphasized that the investigation had disclosed grave charges of the misuse of authority by the Sarpanch, such as the illegal occupation of Gram Panchayat lands through fictitious decrees, and the amalgamation had been aimed at avoiding such improper management.

The appellants were of the view that the High Court had not properly understood the fact that the restructuring of the administration of local government organizations was the concern of the executive and not to be subject to judicial intervention, unless the decision had been clearly illegal and mala fide.

B. Respondents

The respondents were of the view that the decision of the State Government to issue the notification had been arbitrary and unjustified, as the two Gram Sabhas had been functioning independently and effectively until the amalgamation. They were of the view that the existence of charges against a particular Sarpanch had not warranted the dissolution or amalgamation of the Gram Sabhas, which had been functioning democratically.

The respondents also submitted that the abuse of authority by a local authority should be addressed through the appropriate disciplinary or legal action against the individual in question and not through a change in the structure of the Gram Sabha.

Another submission made in the case was that the High Court had rightly exercised judicial review over the administrative action taken by the Government. According to the respondents, the notification had lacked the necessary justification and hence had breached the principles of fairness and reasonableness. The respondents urged the Supreme Court to uphold the judgment made by the High Court and sustain the existence of the two Gram Sabhas.

In light of these competing submissions, the Supreme Court proceeded to examine the scope of statutory discretion and the permissible limits of judicial review in administrative matters.

VIII. RESEARCH AND ANALYSIS

The Supreme Court in *Karnail Singh and Others v. Darshan Singh and Others* conducted a thorough analysis of the scope of executive discretion granted to the State Government under the provisions of the Punjab Gram Panchayat Act, 1952. The main question before the Court was whether the State Government had the statutory authority to consolidate the areas of two Gram Sabhas, and whether the High Court was justified in interfering with such an executive decision by judicial review. The Court began its investigation by almost completely analysing the legislative framework governing the establishment and reorganisation of Gram Sabhas. Section 4 of the Punjab Gram Panchayat Act, 1952 authorises the State Government to declare, alter, include, exclude, or amalgamate village areas for the purpose of forming Gram Sabhas.

The Court observed that the wording of the provision easily reflects the legislative intention to confer wide optional authority upon the State Government to restructure rural administrative structures whenever it considers similar action necessary for effective governance. The Court emphasized that the flexibility granted under the enactment is intended to ensure that the executive ministry of local self-government remains responsive to practical governance requirements.

In the process of analysing the judgement of the Punjab and Haryana High Court, the Supreme Court observed that the High Court had set aside the announcement of the government mainly on the basis that the alleged misconduct of a Sarpanch could have been corrected with appropriate corrective measures rather than structural changes in Gram Sabhas. However, the Supreme Court was not in agreement with this argument and observed that the High Court had not adequately appreciated the scope of the State Government's discretion provided under the enactment.

The Court pointed out that opinions of the executive regarding matters of governance and policy are usually under the domain of the administrative branch. Judicial review, although a vital tool in determining legality and accountability, is subject to certain limitations. The main concern of the courts is to determine if the decision-making process is lawful, reasonable, and not perceived with any negative motives. They are not supposed to substitute their views with those of the administrative authority when it is within their power as a government.

The Supreme Court further observed that the State Government had taken its decision after perusing various executive reports and had conducted an inquiry through competent authorities. The inquiry conducted by the Director of Panchayats indicated serious allegations of the abuse of power by the Sarpanch, including the purchase of fictitious rulings from the court and the illegal occupation of Gram Panchayat land. The Court thus found that the amalgamation of the two Gram Sabhas was a move taken to ensure good administration and prevent further misuse of authority. The decision was not random but was based on executive conclusions and policy concerns. As a result, the High Court went beyond the permissible scope of judicial review by interfering with a policy decision made within the State Government's legislative authorities.

Through this logic, the Supreme Court reaffirmed the principle that courts must exercise judicial restraint when reviewing executive opinions that involve policy considerations and statutory discretion. The judgment therefore reflects the broader jurisprudence that recognizes the autonomy of the executive in matters of governance while conserving the administrative part of the bar to help illegality or abuse of power.

IX. JUDGMENT

The Supreme Court, exercising its jurisdiction under Article 136 of the Constitution of India, allowed the appeal and set aside the judgment of the Punjab and Haryana High Court. The Court upheld the validity of the government notification merging the Gram Sabhas of Bhorakh and Harigarh. It was decided that the State Government acted within its legal powers given by the Punjab Gram Panchayat Act, 1952, Section 4, which allows for changing the areas of the Gram Sabha to improve administration.

A. Ratio Decidendi

The Ratio Decidendi of the case is that the decision of the State Government in the exercise of its statutory discretion under Section 4 of the Punjab Gram Panchayat Act, 1952, in reorganizing or amalgamating the areas of Gram Sabhas, is an administrative decision that cannot be interfered with by the Courts unless the decision is proved to be illegal, arbitrary, or actuated by any mala fide intentions.

It was held that the decision of the State Government was strictly in accordance with the powers vested in the Government under the Act. The decision to amalgamate the Gram Sabhas was taken in accordance with the legal procedure prescribed under the Act. In the absence of any evidence of arbitrariness or illegality or any mala fide intentions, the decision of the Government could not be interfered with by the High Court.

B. Obiter Dicta

While deciding the decision, the Supreme Court has made a few incidental observations regarding the limits of judicial review and the doctrine of separation of powers. The Supreme Court has emphasized the fact that the role of judicial review is limited to the legality of the decision-making process, rather than the wisdom of the administrative decision.

The court has observed that decisions relating to the reorganization of local administrative units are within the realm of executive policy and governance, and the role of judicial review must be exercised with restraint.

Excessive judicial review of administrative decisions can interfere with the functioning of local self-government bodies. These institutions are responsible for carrying out day-to-day administrative functions and implementing policies at the local level. If courts frequently intervene in such matters, it may slow down decision-making and disrupt administrative efficiency which could lead to the weakening of the doctrine of separation of powers

Therefore, the court has reiterated the fact that the opinion of the court must not override the opinion of the executive, provided it is within the limits of the law.

X. CONCLUSION AND COMMENTS

The decision of the Supreme Court in the case of Karnail Singh v. Darshan Singh is an important precedent in Indian Administrative Law for interpreting the scope of judicial review of the government's decision on the reorganization of local self-government. The Supreme Court has reiterated the fact that the State Government has wide powers under Section 4 of the Punjab Gram Panchayat Act of 1952 to reorganize the Gram Sabhas wherever it is deemed necessary for proper administration and governance. In the present case, the Supreme Court has upheld the government's decision to amalgamate the Gram Sabhas of Bhorakh and Harigarh.

The decision has emphasized the fact that the courts should refrain from interfering with the government's decision unless it is deemed illegal, arbitrary, or motivated by mala fide intent. The role of judicial review is only to examine the legality of the decision rather than the wisdom of the decision. The doctrine of judicial restraint and the doctrine of the separation of powers have been reiterated by the court. The importance of this ruling can also be seen when viewed in light of the developing framework of Panchayati Raj institutions in India, especially after the passing of the 73rd Constitutional Amendment Act, which provided constitutional status to local self-governance bodies.

In such a constitutional framework, administrative bodies may need to reorganize local self-governance bodies to enhance efficiency, representation, and service provision. The Court's approach to the issue reflects an understanding of the need to provide executive bodies sufficient scope to reorganize local governance bodies while

also ensuring that such executive action remains within the bounds of legal authority. The principles stated in this case are also consistent with the general principles implemented by the Supreme Court on administrative discretion and judicial review. In *Tata Cellular v. Union of India*, (1994) 6 SCC 651, the Court held that judicial review is limited to examining whether the decision-making authority has acted within the scope of its powers, followed fair procedures, and avoided arbitrariness.

Similarly, in *State of Punjab v. Gurdial Singh*, the Supreme Court upheld the High Court's finding that the land acquisition was mala fide and dismissed the State's Special Leave Petition. The decision thus serves as a counterpoint, illustrating that while courts ordinarily exercise restraint in reviewing executive action, they will intervene where such action is vitiated by mala fides. This reinforces the position in the present case, where the absence of mala fide intent justified judicial deference. Therefore, it is stated that although executive decisions must be respected, ultimately it is a decision that must be taken in accordance with due process and other applicable legal standards. The decision in *Karnail Singh v. Darshan Singh* is a significant addition to the body of law that governs administrative law because it strikes a balance.

The Court's decision confirmed that the State Government has the power to make choices about local governance, but these choices can still be checked by the courts if there are claims of wrongdoing, unfairness, or bad intentions. From a wider viewpoint, the decision emphasises how important it is for the executive to use its power, especially when it comes to choices about local democratic groups like Gram Sabhas. Decisions on restructuring local government bodies are critical and have a significant impact on local governance and democracy. Therefore, the administration must make sure that such decisions are not only within the bounds of its jurisdiction but also in accordance with the principles of democracy and the law, even though the courts' involvement is limited.

In this context, the judgement contributes to jurisprudence regarding the exercise of discretion by the executive, the courts restraint in such decisions, and the functioning of decentralised governments in India.

From a modern point of view, it is submitted that the principles laid down in *Karnail Singh v. Darshan Singh* continue to remain relevant to a modern-day scenario, as Indian courts are increasingly dealing with issues of administrative discretion and governance at a local level. As Panchayati Raj institutions continue to assume greater importance in local governance following the constitutional revolution introduced by the 73rd Constitutional Amendment Act, it is submitted that future judicial decisions on issues of executive discretion would need to strike a delicate balance between executive autonomy and executive discretion.

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