

1.3 Importance of the Constitution

The Constitution remains essential to India's democratic system for several reasons. This section explains its importance through analytical elaboration.

1.3.1 Foundation of Governance

The Constitution outlines how government institutions function and interact. It establishes procedures for:

1. law-making,
2. elections,
3. administration,
4. dispute resolution, and
5. maintaining checks and balances.

Without such a framework, governance would become unstable and arbitrary.

1.3.2 Protection of Fundamental Rights

The Constitution enshrines a charter of fundamental rights that guarantee:

1. equality before the law,
2. freedom of speech and movement,
3. protection from exploitation,
4. freedom of religion,

5. cultural and educational rights,
6. right to life and personal liberty.

1.3.3 Ensuring Social and Economic Justice

The Constitution directs the State to reduce inequalities, promote welfare, protect workers, regulate industries, and ensure equitable distribution of resources. The Directive Principles serve as guidelines for economic governance.

1.3.4 Strengthening National Unity

The Constitution binds together India's linguistic, cultural, and regional diversity. Federalism provides regional autonomy, while national principles ensure cohesion.

1.3.5 Regulating Economic and Natural Resources

Through provisions such as taxation, property regulation, budgeting, and resource allocation, the Constitution establishes the foundation for a stable economy.

1.4.6 Maintaining Rule of Law —

The Constitution of India upholds the principle of the **Rule of Law**, a foundational element of democratic governance which ensures that every individual and authority within the country—regardless of position, status, or power—is subject to the law. This doctrine rejects arbitrariness and establishes that law, rather than the whims of any individual, governs the functioning of the State. The Rule of Law acts as a safeguard against misuse of power by ensuring that governmental actions remain consistent with constitutional principles and are reviewable by independent courts. It demands that laws must be clear, fair, and applied uniformly, so that justice is neither selective nor influenced by political or personal considerations. In the Indian context, the Rule of Law ensures that even the highest public offices, including that of the Prime Minister, are accountable to the Constitution and cannot claim immunity from legal scrutiny.

Case Study

Reliance Natural Resources Ltd. v. Reliance Industries Ltd. (2010)

The Supreme Court's 2010 judgment in *Reliance Natural Resources Ltd. v. Reliance Industries Ltd.* was a landmark decision that held that natural gas is a national asset, owned by the Union of India, and private family arrangements cannot override governmental regulations on resource allocation and pricing.

Background of the Case

The dispute arose following the demerger of the Reliance Group after the death of Dhirubhai Ambani. A family settlement (Memorandum of Understanding, or MoU) between the brothers, Mukesh and Anil, specified that RIL would supply gas from its Krishna-Godavari (KG-D6) basin fields to Anil Ambani's RNRL at a price of \$2.34 per mmBtu.

However, the Government of India had previously established a New Exploration and Licensing Policy (NELP) and a Production Sharing Contract (PSC) with the RIL consortium. The government later set a higher, government-approved price of \$4.20 per mmBtu for the gas, and the Ministry of Petroleum and Natural Gas rejected RIL's request to supply gas at the lower price agreed in the MoU. RNRL sought court intervention to enforce the family agreement price.

Supreme Court Ruling

The Supreme Court, in a 2-1 majority decision, set aside the Bombay High Court order (which had largely favored RNRL) and ruled in favor of RIL and the Union of India. The key aspects of the judgment were:

1. **Natural Resources are National Assets:** The Court emphasized that all natural resources, including gas, vest with the Union of India under Article 297 of the Constitution. The government holds these resources in public trust for the benefit of the people.
2. **Government's Regulatory Authority:** Private agreements like the family MoU cannot override constitutional provisions and the PSC. The government retains the sovereign right and regulatory authority to decide the policy for the pricing and allocation of natural gas in the national interest.
3. **MoU Not Binding on Companies:** The MoU was deemed a private family arrangement and not a legally binding corporate document on the widely-held public companies (RIL and RNRL), as its specific commercial terms were not disclosed to the shareholders or approved by the RIL board in the manner required by company law.
4. **Redevelopment of Agreement:** The Court directed both RIL and RNRL to renegotiate a gas supply agreement that was consistent with the government's policies and the terms of the PSC.

Significance

The judgment established a major precedent regarding the **primacy of public interest and governmental regulatory power** over private corporate agreements concerning national natural resources in India. It reinforced principles of corporate governance, emphasizing transparency and the limits of promoter influence in listed companies.

Case Study : Indira Nehru Gandhi v. Raj Narain (1975/76).

(1975) was a pivotal Indian legal case where the Allahabad High Court initially voided PM Indira Gandhi's 1971 election due to electoral malpractice, leading to the controversial declaration of the National Emergency. The subsequent Supreme Court ruling, striking down the 39th Amendment that tried to protect her election, established that Parliament couldn't alter the Constitution's "basic structure," reinforcing judicial review, separation of powers, and the principle that no one is above the law, making it a landmark for Indian democracy.

Background & High Court Ruling

1. **Allegations:** Raj Narain, Gandhi's opponent, accused her of misusing government machinery and officials for her Rae Bareilly campaign.
2. **High Court Decision (June 12, 1975):** Justice J.M. Sinha declared Gandhi's election null and void, disqualifying her from office.
3. **Political Fallout:** This verdict fueled political instability, directly contributing to the declaration of the Emergency in India.

Supreme Court & Constitutional Amendments

1. **39th Amendment (1975):** Parliament passed this amendment to validate Gandhi's election and remove judicial review for PMs.
2. **Supreme Court Ruling (November 7, 1975):** A Supreme Court bench, led by Chief Justice A.N. Ray, struck down clauses 4 and 5 of the 39th Amendment, finding them unconstitutional as they violated the Constitution's basic structure (including free & fair elections).

3. **Impact:** The court upheld judicial review, affirming that Parliament's amending power isn't absolute and cannot destroy constitutional fundamentals.

Significance

1. **Basic Structure Doctrine:** Cemented the concept that certain fundamental aspects of the Constitution are beyond Parliament's power to amend.
2. **Judicial Independence:** Reaffirmed the judiciary's role as a check on executive power.
3. **Democratic Principles:** Stood as a powerful assertion that elections must be fair and no leader is above the law, bolstering public confidence in democracy