SC questions passage of Aadhaar Act as Money Bill

The Supreme Court on Wednesday questioned the government's justification for passing the Aadhaar Act as a Money Bill.

Countering the Centre's argument that the sole intent of the Aadhaar Act is to act as a weapon for delivering subsidies to targeted beneficiaries, the Constitution Bench led by Chief Justice Dipak Misra pointed to Section 57 of the Act.

This provision contemplates the use of Aadhaar card as an identification document not only by the government but also by "any body corporate or person."

"A body corporate? That is as far as you can go away from the concept of a Money Bill," Justice Chandrachud challenged Attorney-General K.K. Venugopal, representing the government.

Section 57 says "nothing contained in this Act (Aadhaar Act) shall prevent the use of Aadhaar number for establishing the identity of an individual for any purpose, whether by the State or any body corporate or person..."

Mr. Venugopal submitted that the Act's Preamble itself encapsulates its objective as a legislative "tool" to provide "good governance, efficient, transparent, and targeted delivery of subsidies, benefits and services." The expenditure for these welfare activities would be drawn from the Consolidated Fund of India.

Below poverty line

Mr. Venugopal said the Act might have several "ancillary provisions," but taken in its entirety the Aadhaar Act comes within the ambit of the definition of Money Bill under Article 110 of the Constitution.

The AG countered that the Act contemplates the plight of 300 million people in the country living below the poverty line. "Money has to come necessarily from the Consolidated Fund of India to cover the expenditure of the delivery of targeted subsidies. Not a single provision in the Act is unnecessary or unrelated to the main purpose/pith and substance of the Act, which is giving subsidies," Mr. Venugopal argued.

The AG was countering arguments raised in a petition by Rajya Sabha member Jairam Ramesh that the Aadhaar Act of 2016 was passed as a Money Bill to "by-pass the scrutiny of the Rajya Sabha."

Six circumstances

Mr. Ramesh, represented by senior advocate P. Chidambaram, had earlier argued that a Bill is declared as a Money Bill only in six specific circumstances or matters incidental to them as enumerated in Article 110. The Aadhaar law does not relate to any of these circumstances.

The petition had termed the passage of the Aadhaar law a "constitutional fraud." On March 11, the Aadhaar Bill was passed by the Lok Sabha after the Speaker ruled it as a 'Money Bill'. It was then transmitted to the Rajya Sabha. The Upper House had on March 16 returned the Bill with five amendments moved by Mr. Ramesh.

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