
(1995) 07 P&H CK 0118

In the Punjab And Haryana At Chandigarh

Case No : Civil Writ Petition No. 13567 of 1994

Bhupinder Singh

APPELLANT

Vs

Union of India (UOI)

RESPONDENT

Date of Decision : 04-07-1995

Acts Referred:

Constitution of India, 1950 — Article 226, 227, 243N
Punjab Municipal Corporation Act, 1976 — Section 3(1)
Punjab Panchayati Raj Act, 1994 — Section 211, 3(4)

Citation : (1995) 111 PLR 353 : (1996) 3 RCR(Civil) 180

Hon'ble Judges : N.K. Sodhi, J

Bench : Single Bench

Advocate : M.L. Sarin and D.V. Sharma, for the Appellant; Ashok Aggarwal and Rajinder Goyal, Subhash Goyal and Vinod Gupta for the Respondent Nos. 2 and 5, for the Respondent

Final Decision : Dismissed

Judgement

N.K. Sodhi, J.—What is challenged in this petition filed under Article 226 of the Constitution is the notification dated 27.7.1994 issued by the Administrator, Union Territory Chandigarh under Sub-section (1) of Section 3 of the Punjab Municipal Corporation Act, 1976 as extended to Chandigarh specifying the area mentioned in the schedule thereto to be Municipal Area of the Corporation of Chandigarh inter alia on the ground that the petitioners and other residents of the area were not afforded an opportunity of hearing before the notification was issued. The other ground of attack is that the notification by including the whole of the Gram Sabha area of the petitioner panchayats in an urban estate has the effect of dissolving the Gram Panchayats before the expiry of their term and this could be done only by a resolution passed by both Houses of Parliament and not by a notification issued by the Administrator.

2. Facts giving rise to this writ petition are not in dispute and these may first be noticed. Badheri and Buterla amongst others are two villages which fall in the

Union Territory of Chandigarh. Elections to the Gram Panchayats of these villages were held on 10.1.1993 in accordance with the provisions of the Punjab Gram Panchayat Act, 1952 which was then applicable to the Union Territory. Petitioners 1 and 2 were elected Sarpanches of Gram Panchayats Badheri and Buterla, respectively. Petitioners 3 and 4, the Gram Panchayats of these villages were impleaded by an order of this Court passed on 22.5.1995. u/s 9 (2) of the Gram Panchayat Act, the petitioners were to hold office for a period of five years. The Punjab Gram Panchayat Act, 1952 was repealed by the Punjab Panchayati Raj Act, 1994 (Punjab Act No. 9 of 1994) (hereinafter called the Panchayati Raj Act) which was extended to the Union Territory of Chandigarh with effect from 23.4.1994. On 24.5.1994 the President of India promulgated the Punjab Municipal Corporation Law (Extension to Chandigarh) Ordinance, 1994 extending the provisions of the Punjab Municipal Corporation Act, 1976 (for short, the Corporation Act) to the Union Territory of Chandigarh with such modifications as are referred to in the Ordinance. The Punjab Municipal Act, 1911 in so far as it was then applicable to the Union Territory of Chandigarh or any part thereof stood repealed on coming into force of the Ordinance. The Ordinance was later replaced by an Act of Parliament called the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994. Section 3 of the Corporation Act as extended to Chandigarh which is relevant for our purpose is reproduced hereunder for facility of reference:-

"3. Declaration of area to be municipal area--(1) For the purposes of this Act, the Administrator shall, by notification, specify such territorial area of the Union Territory of Chandigarh to be the Municipal area of the Municipal Corporation of Chandigarh.

(2) The Administrator may, from time to time, after consultation with the Corporation, by notification, alter the limit specified under Sub-section (1) so as to include therein or to exclude therefrom such area as may be specified in the notification. The Corporation shall send its views to the Administrator within a period of three months of the date on which it is first consulted.

(3) The power to issue a notification under Sub-section (2) shall be subject to the condition of previous publication.

(4) When the limits specified under Sub-section (1) are altered so as to include therein any area, this Act and, except as the Administrator may otherwise by notification direct, all rules, notifications, bye-laws, orders, directions and powers made, issued or conferred and all taxes and fees imposed under this Act and in force throughout the area specified under Sub-section (1) shall apply to such included area."

3. Chandigarh which was the Capital of the erstwhile State of Punjab is governed by the Capital of Punjab (Development & Regulation) Act, 1952. This Act was extended to the City of Chandigarh as notified by the Government of Punjab before 1.11.1966 and was to govern such areas as notified by the Central

Government from time to time. On the re-organisation of the erstwhile State of Punjab on 1.11.1966, the City of Chandigarh along with some adjoining villages was made a Union Territory. By a notification dated 27.7.1994 (Annexure P3 with the writ petition) the Administrator, Union Territory Chandigarh exercising the powers of Central Government under Sub-section (2) of Section 1 of the Capital of Punjab (Development & Regulation) Act, 1952 notified that the provisions of this Act would extend to the areas specified in the schedule thereto. The schedule included the Notified Area Committee Manimajra and four villages of the Union Territory, namely, Attawa, Padheri, Burail and Buterla. Thereafter, on the same day i.e. 27.7.1994 the Administrator issued another notification (Annexure P2 with the writ petition) under Sub-section (1) of Section 3 of the Corporation Act as extended to Chandigarh and specified the area mentioned in the schedule thereto to be Municipal Area of the Corporation of Chandigarh. The schedule to this notification included the City of Chandigarh as notified by the Government of Punjab before 1.11.1966, Notified Area Committee Manimajra and four villages, namely, Attawa, Badheri, Burail and Buterla. In other words, the geographical limits of the Municipal Corporation of Chandigarh were specified consisting of the City of Chandigarh, Notified Area Committee Manimajra and the aforesaid four villages. It is this notification that has been impugned in the present writ petition.

4. Mr. M.L. Sarin, Senior Advocate appearing for the petitioners has challenged this notification on the following four grounds:-

(i) No opportunity of hearing was given either to the petitioners or to the residents of the areas that were sought to be included within the limits of the Municipal Corporation of Chandigarh before the notification was issued and, therefore, the rules of natural justice have been violated".

(ii) Each of the villages sought to be included had an elected Gram Panchayat the term of which was five years from 10.1.1993. The impugned notification by including the whole of Gram Sabha areas of the villages in an urban estate to which the Corporation Act is applicable, has the effect of dissolving the Gram Panchayats before the expiration of their duration which could only be done by the resolution passed by both Houses of Parliament and not by a notification issued by the Administrator.

(iii) The Union Territory Administration has not framed and rules for the disposal of the assets of the Gram Panchayats which have ceased to exist on the issuance of the notification and, therefore, the property of the Panchayats could not be disposed of.

(iv) The Gram Panchayats of the villages own property and they could not be deprived of that property without payment of any compensation. Since, no compensation has been paid, the action of the Administration in including the area of the Gram Panchayats within the Municipal limits of the Corporation of Chandigarh is violative of Articles 13(4) of the Constitution.

5. While dealing with his first contention, the learned counsel for the petitioners submitted that inclusion of an area covered by a Gram Panchayat within a Municipal Corporation involves civil consequences and, therefore, it was necessary that the petitioners and other residents of the villages who have been affected by the change should have been given an opportunity of being heard as they have been visited with serious consequence like loss of office in Gram Panchayats, imposition of an urban way of life, higher incidences of tax and the like. It was also contended that the power of the Administrator u/s 3(1) of the Corporation Act as extended to Chandigarh to specify an area to be the Municipal Area of the Municipal Corporation of Chandigarh is an administrative act and such an administrative decision could be taken only after complying with the rule of audi al-term pattern. The counsel strongly relied on a decision of the Supreme Court in Baldev Singh and Others Vs. State of Himachal Pradesh and Others, . In this case some area of the villages for which Gram Panchayats duly constituted under the relevant statute in the State of Himachal Pradesh was declared a notified area u/s 256 of the Himachal Pradesh Municipal Act, 1968. Under this provision, the State Government could by a notification declare an area as a notified area provided it contained a town or bazar and was not a purely agricultural village. The notification by the State Government constituting the notified area was challenged in a petition filed under Article 226 of the Constitution on the ground that the residents of the area had not been afforded an opportunity of hearing before constituting the notified area. The High Court dismissed the petition in limine. In appeal, their Lordships held that the residents of the villages had been denied an opportunity of being heard before a notified area could be constituted and such a factual determination could be made only after hearing the residents who were likely to be affected by the declaration of the notified area. Since the petitioners therein had not been heard, it was held that the requirements of natural justice had not been fulfilled. Consequently, the appeal was allowed and the notification constituting the notified area was quashed. Ranganath Misra, J. (as he then was) speaking for the Court observed at the outset as under :-

"There cannot be any serious dispute to the proposition that whether a particular area would be declared as notified area or not under that Act is ultimately an administrative decision."

This judgment no doubt supports the case of the petitioners herein.

6. Mr. Ashok Aggarwal, Senior Advocate appearing on behalf of the Administration has, on the other hand, placed reliance on the judgments of the Supreme Court in Tulsipur Sugar Co. Ltd. Vs. The Notified Area Committee, Tulsipur, and Sundarjas Kanyalal Bhathija and others Vs. The Collector, Thane, Maharashtra and others, , to contend that the function of the Administrator in constituting the Municipal Corporation and specifying its area u/s 3(1) of the Corporation Act as extended to Chandigarh is neither executive nor administrative. According to the counsel it is a legislative process and the principles of natural

justice do not apply. In *Tulsipur Sugar Co.*'s case (supra), a notification u/s 3 of the U.P. Town Area Act was issued extending the limits of Tulsipur Town Area. The village Shitalpur where the plaintiff therein had its factory was brought within the extended limits. This notification was sought to be challenged on the ground that the appellant therein had no opportunity to make representation before the limits of the Town Area Committee were extended. This contention did not find favour with their Lordship of the Supreme Court and Venkataramiah, J. speaking for the Bench in Para 8 of the Judgement as under :-

"We are concerned in the present case with the power of the State Government to make a declaration constituting a geographical area into a town area u/s 3 of the Act which does not require the State Government to make such declaration after giving notice of its intention so to do to the members of the public and inviting their representations regarding such action. The power of the State Government to make a declaration u/s 3 of the Act is legislative in character because the application of the rest of the provisions of the Act to the geographical area which is declared as a town area is dependent upon such declaration. Section 3 of the Act is in the nature of a conditional legislation."

and then concluded in para 10 as follows :

"We are, therefore, of the view that the maxim "*audi alteram partem*" does not become applicable to the case by necessary implication."

The notification extending the limits of the Town Area Committee was thus upheld.

7. Again in *Sudarjas Kanyalal Bhatija*'s case (supra), their Lordships upheld the notification issued u/s 3(3) of the Bombay Provincial Municipal Corporation Act whereby the Municipal Areas of Kalyan, Ambarnath, Bombivali and Ulhasnagar were merged and formed into a corporation and rejected the contention that the petitioners therein or other residents had a right to be heard before the merger of their areas into a Corporation. The judgment of the Bombay High Court taking a contrary view was reversed and K. Jaganatha Shetty, J. (as he then was), after noticing the earlier decision of the Apex Court in *Tulsipur Sugar Co.*'s case (supra) and *Baldev Singh*'s case (supra), held as under :-

"It must be noticed that the function of the Government in establishing a Corporation under the Act is neither executive nor administrative. Counsel for the appellants was right in his submission that it is legislative process indeed. No judicial duty is laid on the Government in discharge of the statutory duties. The only question to be examined is whether the statutory provisions have been complied with. If they are complied with, then, the Court could say no more. In the present case the Government did publish the proposal by a draft notification and also considered the representation received. It was only thereafter, a decision was taken to exclude Ulhasnagar for the time being. That decision became final when it was notified u/s 3(2). The Court cannot sit in judgment over such decision. It cannot lay down norms for the exercise of that power. It

cannot substitute even "its juster will for theirs."

Equally, the rule issued by the High Court to hear the parties is untenable. The Government in the exercise of its powers u/s 3 is not subject to the rules of natural justice any more than is legislature itself. The rules of natural justice are not applicable to legislative action plenary or subordinate. The procedural requirement of hearing is not implied in the exercise of legislative powers unless hearing was expressly prescribed. The High Court, therefore, was in error in directing the Government to hear the parties who are not entitled to be heard under law."

These two judgments cited by Mr. Aggarwal do support his contention.

8. Undoubtedly, the views taken by the Apex Court in Baldev Singh's case (supra) and in Tulsipur Sugar Co.'s case (supra) and Sundardas Kanyalal Bhathija's case (supra). The judgment in Baldev Singh's case (supra) and the other two judgments in Tulsipur Sugar Co.'s case (supra) and Sundarjas Kanyalal Bhathija's case (supra) are co-equal Benches and the question that now arises is which of these judgments is to be followed and which of them is binding. Faced with such a situation, the duty of the High Court is to first make an effort to reconcile the view taken in the judgments if that is possible. If that is not possible then the High Court inevitably has to make a choice though a difficult one, as to which view should be followed. A Full Bench of this Court in M/s. Indo Swiss Time Ltd. Dundhera v. Umrao, 4 (1981) 83 P.L.R. 335 (F.B.), while dealing with a similar situation held as under :-

"On principle it appears to me that the High Court must follow the judgment which appears to it to lay down the law more elaborately and accurately. The mere incidence of time whether the judgments of co-equal Benches of the Superior Court are earlier or later is a consideration which appears to me as hardly relevant."

Having gone through the aforesaid judgments of the Apex Court carefully. I am of the opinion that the view taken in Baldev Singh's case (supra) cannot be reconciled with the one taken in the other two judgments in Tulsipur Sugar Co.'s case (supra) and Sundarjas Kanyalal Bhathija's case (supra). Therefore, following the dictum laid down by the Full Bench I choose to follow the judgments in Tulsipur Sugar Co. 's case (supra) and Sundarjas Kanyalal Bhathija's case (supra) as according to me these judgments have discussed and laid down the law more exhaustively. In Baldev Singh's case (supra), it was not disputed before the Apex Court that the power to declare a particular area as notified area was administrative in nature and, therefore, the issue now raised before me could not be examined. It was in this situation that it was held that administrative power had to be exercised only after complying with the rules of natural justice. Their Lordships relied upon their earlier decision in S.L. Kapoor Vs. Jagmohan and Others, , which was a case relating to the supersession of a municipal committee and it had been held in that case that administrative action

which entails civil consequences could be taken only after observing the principles of natural justice. Reliance was also placed on *State of Orissa Vs. Sridhar Kumar Mallik and Others*, where the validity of the action taken u/s 417-A of the Orissa Municipal Act in constituting a notified area was examined. The Orissa Municipal Act specifically provided for a hearing to be given to all those who were likely to be affected by the declaration of a notified area. The earlier decision of the Apex Court in *Tulsipur Sugar Co.'s case (supra)* taking a contrary view was not brought to the notice of their Lordships in *Baldev Singh's case (supra)*. In *Tulsipur Sugar Co.'s case (supra)* a specific issue was raised with regard to the nature of the power exercised by the State Government in extending the municipal limits and after an elaborate discussion their Lordships came to the conclusion that the power exercised by the State Government was legislative in nature and, therefore, the application of principles of natural justice stood excluded. The same view was followed and reiterated in *Sundarjas Kanyalal Bhathija's case (supra)*.

9. For the aforesaid reasons, I hold that the power exercised by the Administrator in specifying the Municipal Area of the Municipal Corporation of Chandigarh u/s 3(1) of the Corporation Act as extended to Chandigarh is legislative in nature and the rule of *audi alteram partem* does not apply. In the absence of any provision specifically requiring a hearing to be given, the exercise of such power need not, therefore, be preceded by notice of hearing. Before concluding on this issue, it may be observed that when this petition came up before the Motion Bench on 29.11.1994 the learned Judge without going into the question as to whether the power of the Administrator in specifying the Municipal Area of the Corporation of Chandigarh was an administrative act or a legislative process, issued interim directions to the Chandigarh Administration to invite objections within one week from the residents of the four villages sought to be included and after considering those objections re-decide the matter regarding the inclusion of the four villages in the Municipal Corporation of Chandigarh. In pursuance of those interim directions, the Administrator afforded an opportunity of hearing to all the residents including the petitioners herein and thereafter by a detailed speaking order passed on 30.12.1994 rejected the objections and upheld the inclusion of villages in the Municipal Area. Since I have held that the power of the Administrator was legislative in nature and he was under no obligation to afford any hearing to the residents, it is not necessary for me to deal with the order passed by the Administrator and the reasons given by him for rejecting the objections.

10. The first contention raised on behalf of the petitioners has, thus, no merit and the same is rejected.

11. Before dealing with the second contention raised by Mr. Sarin, it would be necessary to refer to part IX of the Constitution which was inserted by the Constitution (Seventy-third Amendment) Act, 1992, which came into force with effect from 24.4.1993 and also to the relevant provisions of the Panchayat Raj

Act. Though the Panchayat Raj Institutions have been in existence for a long time, it was felt by the Parliament that these institutions had not been able to acquire the status and dignity of viable and responsible people's bodies due to a number of reasons including absence of regular elections, prolonged supersessions, insufficient representation of weaker sections like Scheduled Castes, Scheduled Tribes and women, inadequate devolution of powers and lack of financial resources. In view of all these shortcomings, the Parliament thought it imperative to enshrine in the Constitution itself certain basic essential feature of panchayati Raj Institutions to impart certainty, continuity and strength to them. Accordingly, Chapter IX was introduced and we are here concerned with Article 243-N only which is reproduced hereunder :-

"Continuance of existing laws and Panchayats: Notwithstanding anything in this Part, any provision of any law relating to Panchayat's in force in a State immediately before the commencement of the Constitution (Seventy-third Amendment) Act, 1992, which is inconsistent with the provision of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever, is earlier.

Provided that all the Panchayats existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of that State."

With a view to bring the Panchayati Raj Institutions in the State of Punjab in conformity with Part IX of the Constitution, the Legislature of Punjab repealed the Punjab Gram Panchayat Act, 1952 which was applicable hitherto before and replaced it by the Panchayati Raj Act. "Gram Sabha", "Gram Sabha Area" and "Gram Panchayat" have been defined in clauses (y), (z) and (za) of this Act as under :-

"(y). "Gram Sabha" means a body consisting of persons registered as voters in the electoral rolls of the area of the Gram Panchayat, constituted u/s 3 of this Act;

(z) "Gram Sabha area" means territorial area of a Gram Sabha;

(za) "Gram Panchayat Area" means an institution of self-government for a gram sabha area constituted u/s 9".

Section 3 deals with the powers of the State Government to establish a Gram Sabha area. Sub-section (4) of Section 3 which is relevant for our purposes reads as under :-

"If whole of the Gram Sabha area is included in an urban estate to which the provisions of the Punjab Municipal Act, 1911 or the Punjab Municipal Corporation Act, 1976, are applicable or in a city, municipality, cantonment, or Notified Area

under any law for the time being in force, the Gram Sabha and the Gram Panchayat for that area shall cease to exist and the assets and liabilities of the Gram Panchayat shall be disposed of in the prescribed manner."

The Gram Panchayats are constituted u/s 10 of this Act and Section 15 which deals with their term of office is reproduced hereunder:-

"Term of Office of Gram Panchayat. (1) Every Gram Panchayat unless dissolved earlier under this Act, shall continue for a term of five years from the date of its first meeting.

(2) No amendment of any law for the time being in force shall have the effect of causing dissolution of a Gram Panchayat which is functioning immediately before such amendment, till the expiration of its duration specified in Sub-section (2).

(3) An election to constitute a Gram Panchayat shall be completed-

(a) before the expiration of term of its duration specified in Sub-section (i);

(b) before the expiry of period of six months from the date of its dissolution;

Provided that where the remainder of the period for which the dissolved Gram Panchayat would have continued is less than six months, it shall not be necessary to hold any election under this clause for constituting the Gram Panchayat for such period.

(4) A Gram Panchayat constituted upon the dissolution of a Gram Panchayat before the expiration of its duration, shall continue only for remainder of the period for which the dissolved Gram Panchayat would have continued under Sub-section (1) had it not been so dissolved."

Section 211 deals with the continuation of the Panchayats existing prior to the commencement of the Panchayati Raj Act. This section reads as under :-

"Continuation of existing Panchayats. All the Panchayats existing immediately before the commencement of this act shall continue till expiration of their duration specified under the existing laws unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of the State of Punjab."

12. As already noticed, the petitioner Gram Panchayats were constituted under the Punjab Gram Panchayat Act on 10.1.1993 i.e. prior to the coming into force of the Panchayati Raj Act and their term of office is 5 years both under the Punjab Gram Panchayat Act as also under the Panchayati Raj Act. The argument of the petitioners is that the Gram Panchayats for villagers Badheri and Buterla having been elected on 10.1.1993 are entitled to continue till the expiration of their duration and that they could be dissolved earlier before the expiry of their term only by a resolution passed to that effect by both Houses of Parliament. Reliance has been placed in this regard on the proviso to Article 243-N of the Constitution and Section 211 of the Panchayati Raj Act read with Section 15 thereof. Elaborating the argument, it is contended that the inclusion of the whole

of the Gram Sabha areas of the petitioner Panchayats in an urban estate to which the provisions of the Corporation Act are applicable has the effect of dissolving the Gram Panchayat and this could be done only by a resolution passed to that effect by the Legislative Assembly of the State of Punjab in terms of Section 211 of the Panchayati Raj Act and since Chandigarh and two villages are part of the Union territory, the same could be done only by a resolution passed to that effect by both houses of Parliament. Mr. Ashok Aggarwal, on the other hand, strenuously urged that the inclusion of the whole of the Gram Sabha areas of the petitioner Panchayats in the Municipal Corporation of Chandigarh does not have the effect of dissolving the Gram Panchayats but with such inclusion they automatically ceased to exist and the provisions of Section 211 of the Panchayati Raj Act and the proviso to Article 243-N of the Constitution do not. apply to such cessation.

13. From the rival contentions of the parties the question that emerges for determination is whether on the inclusion of the whole of the Gram Panchayat in an urban estate to which the provisions of the Corporation Act apply, the Gram Panchayat constituted for the said Gram Sabha area could be said to have been dis-solved within the meaning of Article 243-N and Section 211 of the Panchayati Raj Act. After giving my thoughtful consideration to this question. I am of the view that the provisions of Section 211 and the proviso to Article 243-N are not attracted in the instant case. When the whole of a Gram Sabha area is included in an urban estate to which the provisions of the Corporation Act apply, the Gram Sabha and the Gram Panchayat both cease to exist as contemplated by Section 3(4) of the Panchayati Raj Act and such cessation cannot be equated with a dissolution of a Gram Panchayat. On a reading of the relevant provisions of the Panchayati Raj Act it is clear that when a Gram Panchayat is dissolved, the Gram Sabha and the Gram Sabha area for which it was constituted continue to survive and hence the mandate of Sub-section (3) of Section 3 that an election to constitute a Gram Panchayat shall be completed before the expiration of 6 months from the date of its dissolution. On the other hand, on the inclusion of the whole of the Gram Sabha area in an urban estate not only the Gram Panchayat but even the Gram Sabha and the Gram Sabha area cease to exist and the question of holding any election within 6 months therefrom does not arise in such a situation. A dissolution of a Gram Panchayat cannot be equated with its ceasing to exist on the inclusion of the whole of its Gram Sabha area within an urban estate. Dissolution and cessation of a Gram Panchayat are two distinct concepts and the provisions of Section 211 and the proviso to Article 243-N will not apply to a situation where a Gram Panchayat ceases to exist on the inclusion of the whole of its Gram Sabha in an urban estate under Sub-section (4) of Section 3 Panchayati Raj Act. If the argument of the petitioners was to be accepted, then every time a Gram Sabha area is to be included in an urban estate, the matter will have to be placed before the State Legislature. This could never have been the intention of Parliament while enacting Article 243-N of the Constitution. The Administrator of the Union Territory had the power u/s 3(1) of

the Panchayati Raj as applicable to Chandigarh to specify such territorial area of the Union Territory to be Municipal Area of the Municipal Corporation of Chandigarh and since that included the whole of the Gram Sabha area of the petitioner Panchayat, the latter automatically ceased to exist and they cannot be said to have been dissolved so as to attract the proviso to Article 243-N of the Constitution or Section 211 of the Panchayati Raj Act. It was, therefore, not necessary under the law for the matter to be placed before the two Houses of Parliament. Section 211 is only a reproduction of the proviso to Article 243-N of the Constitution. One of the objects of introducing part IX of the Constitution which includes Article 243-N was to ensure that a Panchayat once constituted should complete its full term of 5 years and in case that term was to be curtailed it could only be done by the State Legislature. Even with regard to the Panchayats existing prior to coming into force of Part IX, it was provided that their term too could be curtailed only by the State Legislature. It was never intended that whenever a Gram Sabha area was to be included in an urban estate, the State Legislature was required to pass a resolution to that effect. The second contention has also no merit and is, therefore, rejected.

14. Now coming to the third and fourth contentions raised on behalf of the petitioners. It was contended that since the Union Territory Administration has not framed any rules for the disposal of the assets and liabilities of the Gram Panchayats, the property of the petitioner Panchayats could not be disposed of. It was also contended that these Panchayats owned property and that they are being deprived of the same without payment of compensation which action is violating Article 31(A) of the Constitution. These contentions have no merit and are being noticed only to be rejected. It is true that the Chandigarh Administration has not framed any rules as contemplated by Sub-section (4) of Section 3 of the Panchayati Raj Act but that would not make any difference because whole of the Gram Sabha area of the petitioner Panchayats has been included in the Municipal Area of the Municipal Corporation of Chandigarh and, therefore, in terms of Section 427 of the Corporation Act all asset and liabilities of the Gram Panchayats shall automatically vest b the Municipal Corporation of Chandigarh. Since the Gram Panchayats have been merged in a larger urban estate, namely, the Municipal Corporation of Chandigarh, the question of those Panchayats being deprived of their property without payment of compensation does not arise.

15. In the result, there is no merit in the writ petition and the same stands dismissed leaving the parties to bear their own costs.