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#### IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 11.02.2015 Pronounced on: 31.08.2015

## + <u>W.P.(C) 2989/2013, C.M. NOS.5642/2013, 14472/2013, 1393/2014,</u> CRL.M.A.4829/2014, C.M. NO.4980-81/2014 & 10440-10441/2014

TATPAL SINGH JAGGI AND ORS.

..... Petitioners

Through: Sh. Rahul Mehra and Ms. Roma Bhagat, Advocates.

versus

UNION OF INDIA AND ORS.

..... Respondents

Through: Sh. Neeraj Kishan Kaul, ASG with Sh. Ripu Daman Bhardwaj, CGSC and Sh. T.P. Singh, Advocate, for UOI.

Sh. Noopur Singhal, for Sh. Anil Grover, Advocate, for SAI.

Sh. V. Vasudevan, Advocate, for Respondent No.3.

Sh. D.P. Singh, Sh. R.P. Vyas, Ms. Sonam Gupta, Sh. Rajkiran Vats, Sh. Salil Bhattacharya, Sh. Aditya Verma, Ms. Aarti Goyal and Ms. S. Lakshmi, Advocates, for Respondent No.5.

#### **CORAM:**

HON'BLE MR. JUSTICE S. RAVINDRA BHAT HON'BLE MR. JUSTICE R.K. GAUBA

### MR. JUSTICE S. RAVINDRA BHAT

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1. The present public interest litigation, filed under Article 226 of the Constitution of India, concerns the selection of Respondent No. 5 as the recipient of an award, i.e. Rashtriya Khel Protsahan Puraskar (hereafter referred to as "the Puraskar") for the year 2011 and the constitution of the

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committee under the Scheme for the Puraskar subsequent to the amendment dated 01.03.2011, responsible for selection of the Puraskar awardees.

- 2. The Ministry of Youth Affairs and Sports, Government of India (hereinafter referred to as "MYAS") is the first respondent; the second respondent is the Sports Authority of India ("SAI"), the third respondent is the Sports Development Authority of Tamil Nadu ("SDA"), the fourth respondent is the Tamil Nadu Squash Rackets Association ("the Association"). The fifth respondent is an individual businessman who is also in the field of sports administration.
- 3. MYAS instituted the Puraskar in the year 2009 for contribution to sports by individuals, corporates or institutions with a wish to encourage the involvement of such entities in the promotion and development of sports in the country. For the year 2011, the fifth Respondent was given the award in the category of 'Establishment and Management of sports academies of excellence'. At the time of filing of the writ petition, the fifth Respondent was the Patron of Squash Rackets Federation of India (hereinafter referred to as "SRFI") and President of the Association; Vice-President of SDA, the third Respondent, which is the administrative wing of Youth Welfare and Sports Development Department, Tamil Nadu (hereinafter referred to as the "YWSDD"). He was also the Treasurer of the Indian Olympic Association (hereinafter referred to as the "IOA") and was a Member (Executive Committee) of SAI (the third Respondent) from 1998 till around 2005.
- 4. In terms of the scheme, which was amended in 2011, any corporate entity, public or private, which had "visible role in the area of sports promotion and development" including proprietary concerns, partnerships

and individuals could be nominated (under Rule 4.1) to receive the award if they had "done commendable work in the area." The relevant qualifying condition was:

"The entities which have contributed a minimum of 5% of their gross profit or an amount of not less than Rs. 2 crore in the preceding financial year towards sports promotion and development will be eligible to be considered for the above categories of the awards. Outlays meant for purely commercial purposes will not be counted towards this contribution. Similarly, outlays towards sports business ventures will also not be counted. In other words, only contributions asserting the contribution made by the corporate concerned, towards the promotion and development of sport in the country."

Para 7.1 stipulated that awards in four categories would be recommended by a Selection Committee constituted by the Central Government, each year. Clause 7.3 spelt out the criteria/ heads under which the award was to be given. This was in respect of four categories, i.e. "(a) Community Sports-Identification and nurturing of budding talent; (b) Financial support for sports excellence; (c) Establishment and Management of sports academies of excellence; (d) Employment to sportspersons and other welfare measures."

Each category had a different set of criteria which the committee had to consider while recommending names. In respect of Clause 7.3 (c), which this petition is concerned with, the following criteria were spelt out:

- "(i) Number of academies created/supported along with disciplines
- (ii) Details about area, infrastructure, equipment, coaches and scientific support made available in the academy

- (iii) Number of sportspersons being trained
- (iv) Achievements of the sportspersons trained at the Academy
- (v) Total expenditure incurred for the establishment of academy."

Clause 8 of the Scheme stated that there could be only one award for each of the four categories spelt out in Clause 7. Clause 11 stated that an award could not be given for a second time to the same corporate entity in the same category.

5. The fifth Respondent was nominated as a potential candidate for the award under Category 7.3 (c) of the Scheme, i.e. "(c) Establishment and Management of sports academies of excellence". The award given to him is the subject matter of challenge. The Petitioners also challenge the notification whereby the composition of the Committee was changed before the Selection of the fifth respondent.

Submissions Made on Behalf of the Petitioners:

## I: Re. Selection of the fifth Respondent for the Puraskar

6. The Petitioners challenge the selection of fifth respondent as a Puraskar awardee in 2011 for several reasons. It is contended that in terms of Rule 4 of the Scheme for the award, entities which contribute a minimum of 5% of their gross profit or an amount not less than ₹ 2 crores in the preceding financial year towards sports promotion and development will be considered for the awards. The Petitioners submit that the fifth Respondent's personal contribution towards sports promotion and development in the preceding financial year is less than ₹ 2 crores. It is highlighted that the

certificate from the chartered accountants (one M/s Venkat and Rangaa) dated 28.04.2011, relied upon by the said respondent to establish his financial contribution, indicates that the contribution for the past *two* years has cumulatively been more than 2 years, and not for the preceding financial year. Therefore, the fifth Respondent was ineligible for the Puraskar.

- 7. The Petitioners allege that the fifth Respondent did not show any proof of his personal financial contribution at the time of making the application and instead provided balance sheet of SRFI, which the fifth Respondent had left on 01.11.2008. The balance sheet does not show contribution of more than ₹ 2 crores. Instead, the fifth Respondent's donation of £ 30,876 to the World Squash Federation is clearly reflected in the balance sheet.
- 8. Besides the absence of the contribution (of ₹ 2 crores as required by the rules) the fifth Respondent, it is said, has not shown any personal contribution to the figure of ₹ 15 crores quoted for the establishment of the academy, as required by Rule 7.3. According to the Petitioners, grants from Respondent MYAS/SAI/IOA have been to SRFI and not to the fifth Respondent.
- 9. The Petitioners urge that the fifth Respondent as president of the fourth Respondent/ Association, used central funds and minimal SRFI funds to create a Tamil Nadu academy and portrayed it as a national one. Petitioners rely upon the first Respondent's reply dated 10.11.2008 to an RTI application which stated that expenditure over and above the grant was incurred by Respondent No. 4 and through sponsorships and has not stated that any personal contribution was received from the fifth Respondent.

- 10. The Petitioners argue that the fifth Respondent's application was filed well after the due date of 02.05.2011 as it was received by MYAS only on 09.05.2011. Therefore, the fifth Respondent's application was void in terms of Rule 5 of the Scheme of the Puraskar. Further, according to the Petitioners, the application is in the format of the old Puraskar scheme dated 15.03.2010 and has been purportedly forwarded on 06.05.2011 leading to the presumption that Respondent Nos. 3 and 5 chose to forward the application to the more favourable committee constituted in 2011.
- 11. The Petitioners submit that contrary to the objective of the Puraskar, the fifth Respondent as the Secretary General of SRFI extracted grants and facilities ostensibly for all regions of India only to utilize the benefits for the Squash Academy, Chennai. Further, it is submitted that while the said fifth Respondent has mentioned all his posts and achievements (in various sports organisations) in his application for the Puraskar, he did not mention the financial contribution towards maintenance of the said academy because this information would have jeopardised his personal claim for the the Puraskar.
- 12. The MYAS in a circular dated 17.03.2010 titled "Rationalization of National Sports Awards Schemes" which includes the Puraskar, clarified that nominating authorities were required to certify that nominees were clear from vigilance/disciplinary angles and not involved in acts or criminal and moral turpitude.
- 13. The Petitioners highlight that Respondent Nos. 3, 4 and 5 were indicted by the Comptroller and Auditor General of India in 2008. They also rely upon an email dated 25.08.2011 sent to the Joint Secretary (MYAS) setting out the reasons for ineligibility of the fifth Respondent to be awarded

the Puraskar. The Petitioners state that the application of other nominees in the same category of the Puraskar for which the fifth Respondent was awarded, was more impressive. One of the applicants – Services Sports Control Board (SSCB) – had shown a contribution of Rs. 74 crores. Petitioners seek to rely upon the fact that till date, Respondent No. 5 is the only individual to have been awarded the Puraskar, to contend that the award in favour of Respondent No. 5 was granted in a *malafide* manner. The Petitioners argue that the two members of the Puraskar selection committee for the year 2011, including the Chairperson, were fully aware of the position regarding Respondent No. 5's claims in the Application Form.

14. The Petitioners next submit that the action of the third Respondent in nominating the fifth Respondent for the award is *malafide* as the National Triathlon Academy claimed to have been created and maintained by the said fifth Respondent was in fact created on land given by the third Respondent to the fourth Respondent under a lease agreement which did not specify any triathlon academy or facilities; it was created to the knowledge of Respondent No. 3 by the Respondent No. 4 by availing government grants and it was in fact a SDAT-TNSRA Academy. Petitioners further submit that the Respondents violated Rule 7.6 of the Scheme of the Puraskar. Rule 7.6 reads as follows:

"Any person directly or indirectly related to a entity nominated for the Awards shall not be eligible to participate in the deliberations of the Selection Committee, concerning that entity."

15. According to the Petitioners, Mrs. Shantini Kapoor – Principal Secretary, YWSDD – had prior knowledge of the academy in her present position as well as Member Secretary, SDAT (the third Respondent) in

- 2011. However, she was also in the Puraskar Selection Committee. Further, her predecessor holding the same post nominated the fifth Respondent for the Puraskar.
- 16. Petitioners submit that in light of the Respondent No. 5's failure to fulfill any of the Puraskar Scheme clauses, the award given in his name is arbitrary, illegal and bad in law and ought to be revoked and cancelled under the Scheme. Respondent No. 5 was not selected for the award in 2009, even though the material supplied was the same during that period. The contribution of Respondent No. 5 as claimed was ₹ 5 crores in 2009 and ₹ 15 crores in 2011. However, there is no explanation for the increase in contribution from 2009 to 2011.
- 17. Petitioners submit that MYAS and SAI did not carry out the requisite due diligence mandated by Rule 12 of the Scheme for the Puraskar. The same has not been denied by the first respondent in its affidavit. The Deputy Director of MYAS has admitted that "No documentary criteria were taken from the files of the MYAS/SAI…as it is not required". Petitioners allege that the first two Respondents are turning a blind eye to the irregularities in the field of awarding the Puraskar.

### II Re: Composition of Selection Committee for the Puraskar:

18. Rule 7.1 of the 2009 Scheme for the Puraskar provided for the composition of 15 member committee for selection of the Puraskar awardees. The composition was as follows:

1.	Sportsperson of eminence			Chairperson			
2.	Olympians	of	eminence	from	different	5	Members

	disciplines	
<i>3</i> .	Arjuna Awardees from different disciplines	4 Members
4.	Sports Administrators	2 Members
<i>5</i> .	Director General, Sports Authority of India	Member
6.	Joint Secretary (Sports), Ministry of Youth	Member
	Affairs and Sports	
<i>7</i> .	Director/Deputy Secretary (Sports),	Member-Secretary
	Ministry of Youth Affairs and Sports,	
	Government of India	

19. However, the 2011 Scheme for the Puraskar, amended with effect from 01.03.2011, modified the composition and the 5 Olympians and 4 Arjuna Awardees were absent in the new committee. Further, the committee was no longer headed by an eminent sportsperson. The composition under Rule 7.1 of the 2011 scheme is as follows:

1.	Secretary, Department of Sports, Ministry of	Chairperson
	Youth Affairs and Sports	1
2.	Previous awardees of Rashtriya Khel	2 Members
	Protsahan Puruskar	
<i>3</i> .	Nominee of industry associations, viz.	1 Member
	Federation of Indian Chamber of Commerce	
	and Industry (FICCI), Confederation of	
	Indian Industries (CII), Associated	
	Chamber of Commerce (ASSOCHAM) etc.	
4.	Secretary (Sports) (in person) of the State	2 Members
	Government	
5.	Director General, Sports Authority of India	Member (Ex-officio)
6.	Joint Secretary (Sports), Department of	Member (Ex-officio)
	Sports, Ministry of Youth Affairs and Sports	
<i>7</i> .	Deputy Secretary (Sports)/Director (Sports),	Member-Secretary
	Department of Sports	(Ex-officio

20. The Petitioners highlight that the composition of other committees –

including for the Rajiv Gandhi Khel Ratna, Arjuna Awards and Dronacharya Award – remained the same in 2011 and 2012 and there was no change in their composition. It is submitted that the removal of eminent sportspersons from the Selection Committee and the replacement of the Chairperson of the Selection Committee by the Secretary, of Department of Sports under the 2011 Scheme is baseless and unfounded. Further, the Selection Committee under the 2011 Scheme does not include any Olympian/Arjuna Awardee, as was the case under the 2009 Scheme. Sportspersons cannot be held to be irrelevant for the purposes of selecting the Puraskar awardees. This led to the easy manipulations.

# Submissions of MYAS, the first Respondent:

- 21. The first respondent, MYAS, challenges the maintainability of this writ petition on the ground of delay as the impugned Puraskar was awarded in August, 2011 whereas the present writ petition was filed in April 2013. Further, Respondent No. 1 also contends that there is no infringement of any fundamental right of the Petitioners that would justify the invocation of this Court's extraordinary jurisdiction under Article 226 of the Constitution of India.
- 22. MYAS alleges that the fifth Respondent was awarded the Puraskar for the National Academy for Squash, Chennai. According to Respondent No. 1, the eligibility criteria for selection of 'Individuals/proprietary/partnership entities' is different from that for corporate entities. The role of the former needs to be assessed in terms of their personal efforts and organizational abilities in the promotion and development of sports. The Union of India contends that the Selection Committee held two meetings, one on 26.7.2011

and the other on 11.08.2011 and evaluated the applications received for the Puraskar against the selection criteria specified in the Scheme and recommended, the fifth respondent for the Puraskar in the category of 'Establishment and Management of Sports Excellence'. The other entity selected for the Puraskar was Petroleum Sports Promotion Board, for the category of 'Financial Support for Sports excellence'. It is also stated that the fifth Respondent was given the Puraskar for "Squash Academy, Chennai." After disputing the Petitioners' contention that the criteria of annual contribution of ₹ two crores applied for individuals, the UoI averred that:

"So in the case of Shri N. Ramachandran, who had applied as 'Individual' for Rashtriya Khel Protsahan Puruskar against the category of 'Establishment and management of sports academies of excellence', the Selection Committee had taken into consideration the efforts made by him in establishment and management of sports academies of excellence for the discipline of Squash and had assessed his suitability for the award in terms of his efforts for number of academies created/supported, area, infrastructure, equipment, coaches and scientific support made available in the academy, number of sportspersons being trained, achievements of sportspersons trained at the academy and the total expenditure incurred.

As regards financial contributions made by Shri N. Ramachandran, it is stated that as per a certificate given by Venkat & Rangaa, Chartered Accountant, (Annexure —R-I), Shri N. Ramachandran has from his account as well as from the accounts of companies under his management where he holds directorship and substantial share holdings funded Tamil Nadu Racket Association Rs. 91,00,000 for the year ended 31.3.2010 and Rs. 36,00,000 for the year ended 31.3.2011 and funded Squash Rackets Federation of India to the tune of Rs. 80,50,000/-

for the year ended 31.3.2010 and Rs. 11,75,000 for the year ended 31.3.2011."

- 23. MYAS submits that the fifth Respondent's application was received on 29.04.2011 through SRFI and that another application was received through YWSDD, Government of Tamil Nadu on 09.05.2011.
- 24. Respondent No. 1 admits that Mrs. Shantini Kapoor was a member of the Selection Committee for the Puraskar in 2011 but did not attend the meetings of the Selection Committee. It is further stated that the interested member would not be involved in deliberations concerning the entity with whom the member is interested.
- 25. Mr. Neeraj Kishan Kaul, learned Additional Solicitor General (ASG) argued that the court should not engage itself in the merits of the case as long as procedural irregularity of a significant degree, illegality or *mala fides* had not been established. It was submitted that the executive Government's discretion to change the composition or membership of the Selection Committee cannot be questioned, given that there was no proof of bias. Relying on the record, it was argued that the actual Selection Committee was constituted much after the applications were received, to avoid any lobbying. This established fairness and transparency in the decision making process. In the circumstances, as to whether it would have been appropriate to continue with a Committee dominated by sports persons, to evaluate the contributions of sports administrators, was an aspect best left to the judgment of the Central Government, which had instituted the award (i.e. the Puraskar) in the first place.

- 26. Again relying on the record, the learned ASG argued that the fifth Respondent's candidature was judged in view of the standards prescribed and in the same manner as in the case of the award in the other four categories. It was reiterated that the criteria of 5% of the gross profit or ₹ 2 crore threshold did not apply to individuals nominated for the Puraskar, because their contributions need not be necessarily quantifiable in monetary terms. Thus, personal efforts in organizational abilities in sports had to be evaluated on a case by case basis. Getting sponsors, approaching concerned government organizations for securing land, financial assistance, state-ofthe-art infrastructure and sports equipment, getting trained coaches and other support personnel, popularizing the sport, establishing and managing the academies are much more important than financial contributions. While financial contributions are important and required for promotion and development of sports, they alone are not sufficient for promotion and development of specific sports disciplines.
- 27. The third Respondent has also denied the allegations made by the Petitioners against it in the writ petition and have prayed for its dismissal. Respondent No. 4, on the other hand, has filed CM No. 14472 of 2013 seeking the dismissal of writ petition, *inter alia*, on grounds of noncompliance with the Delhi High Court (Public Interest Litigation) Rules, 2010. Respondent no. 2 has filed no written submission.

Submissions Made on Behalf of the fifth Respondent

28. The fifth Respondent too has challenged the maintainability of this writ petition on the ground of delay. It is stated that more than 20 months

have elapsed since the fifth Respondent was awarded the Puraskar on 29.08.2011 and there is no explanation provided for this delay. The fifth Respondent submits that the writ petition has been filed at the behest of one Mr. Rahul Kumar Chadda, who bears personal animosity towards him. It is a *mala fide* and personally motivated litigation and amounts to a blatant abuse of the writ jurisdiction of this Court. Learned counsel also relied on the judgment of the Supreme Court in *Dattaraj Nathuji Thaware v. State of Maharashtra & Ors.*, 2005 (1) SCC 590, that a Public Interest Litigation which is now an important field in the administration of law should not be "publicity interest litigation" or "private interest litigation". It is urged that the Petitioners are disgruntled elements and have approached courts time and again with allegations against administration in the field of squash in India. Reference is also made to the judgment of the Supreme Court in A.I. Singh v Union of India W.P.(C) 16730-39/2006 (decided on 16.04.2009 by a Division Bench of this Court).

- 29. On merits, the fifth Respondent submits that the requirement of financial contribution of ₹ 2 crores or 5% of gross profit does not apply to individuals. The Puraskar is awarded to the following categories of applicants:
- a. A corporate entity, public or private, that has played a visible role in the area of sports promotion and development;
- b. Individuals / proprietary / partnership entities which have done commendable work in the area of sports promotion and development;

c. Entities which have contributed a minimum of 5% of their gross profit or an amount not less than Rs.2 crore in the preceding financial year towards sports promotion and development.

According to the fifth Respondent, only 'entities' are required to contribute ₹ 2 crores or 5% of their gross profit to be eligible for the Puraskar. Since an individual is not an entity, the fifth Respondent's failure to contribute the said amount does not disqualify him from being considered for the Puraskar. This interpretation is in consonance with the Puraskar's objective of promotion and encouragement of corporate involvement in the development of sports. The fifth Respondent's submission in this regard is reproduced below:

"That it would be completely contrary to the spirit and objective of the Award to argue, as the Petitioners have done, that an individual will only be eligible for the Award if he contributes Rs 2 crores in a particular financial year. The upshot of such an interpretation would be detrimental to sport in two ways. First, it would make the Award the preserve only of those individuals who have deep pockets. This would be manifestly unfair. Sports promotion and development does not occur by simply throwing money at the sport. It is a result of dedication and enthusiasm. These are the virtues that the Scheme seeks to reward, which Respondent No 5 has shown in ample measure. Second, having a minimum financial contribution requirement would mean that the efforts of individuals who spend their lives promoting and developing a sport that does not require huge levels of investment would go completely unrecognized. It cannot have been the intention of the Ministry of Youth Affairs and Sports to discriminate between different sports in such an arbitrary fashion."

30. The fifth Respondent states that he has "done commendable work" in "the area of sports development and promotion" and was eligible for award

under the second category (individuals) under Rule 4.1 of the Scheme governing the Puraskar. It is submitted that he did support the three academies –National Academy for Squash, Chennai; National Academy for Triathlon, Chennai and State Academy for Squash, Salem. It is because of the said fifth Respondent's vision that the Indian Squash Academy was formed.

Analysis and Conclusions:

### I Delay in Filing the Present Petition

The Supreme Court in Delhi Development Authority v. Rajendra 31. Singh, (2009) 8 SCC 582 noted that "the delay rules apply to PILs also and if there is no proper explanation for the delay, PILs are liable to be summarily dismissed on account of delay". Further, in State of Kerala v. A.K. Gopakumar, (2013) 11 SCC 606, the Court held that dismissal of a writ petition, filed after 2 years and 8 months from the issuance of impugned order, on grounds of limitation, is justified if no explanation for the delay is offered. The scheme for Selection of the Puraskar for 2011 was notified on 01.03.2011 and the award was granted to the fifth respondent in August, 2011. The present writ petition has been filed in April, 2013, i.e. after a period of 20 months from the grant of award to the fifth Respondent. The Petitioners have placed on record materials in the form of RTI queries, and copies of representations to the MYAS and other official bodies, both before and after the grant of the Puraskar to the fifth respondent. Though facially, the period of 20 months appears to be a delay, given the circumstances and the fact that the proceedings highlight perceived inadequacies and opaqueness in the selection process- i.e. change of the Selection

Committee's composition before the process began in the present case, and the manner of selection of the fifth Respondent, the petition cannot be dismissed on the ground of delay. This Court notes further that the Selection Committee for the Puraskar at the time of filing of the petition or the hearing still did not have any representation of eminent sportspersons and therefore, insofar as the said issue is concerned, there is a continuing cause of action and the bar of laches would not apply (ref *M. Sudakar v. Manoharan*, (2011) 1 SCC 484).

- II Are the present proceedings liable to be dismissed on the ground that the writ petitioners are motivated?
- Public interest litigation, whether initiated under Article 226 before 32. the High Court or before the Supreme Court under Article 32 of the Constitution, should be at the behest of an individual or group of individuals who wish to highlight the plight of those disempowered by lack of resources or poverty or other barriers, from seeking relief against violation of their Constitutional or legal rights. It has also been extended as a powerful tool by the Supreme Court to oversee implementation of State policies and ensure fairness, transparency and good governance. The underlying concern is public interest, and courts have been cautioned time and again not to launch into adventures at the behest of meddlesome interlopers or "knight errants". Reported judgments of the Supreme Court and this court have stressed that the normal burden of courts should not be strained by entertaining pleas of those who have an agenda of their own- private interest masquerading as public interest should be weeded out. The Courts have evolved certain guidelines or tests to ensure this, including that at times, even if the motive

of the mover (or the public interest litigant) is unclear, nevertheless if the issues urged are important, *prima facie*, further proceedings are warranted and justified.

33. *In Ashok Kumar Pandey v. State of West Bengal* 2004 (3) SCC 349 the Supreme Court narrated the principles and observed, in this regard that:

"There must be real and genuine public interest involved in the litigation and not merely an adventure of knight errant or poke ones into for a probe. It cannot also be invoked by a person or a body of persons to further his or their personal causes or satisfy his or their personal grudge and enmity. Courts of justice should not be allowed to be polluted by unscrupulous litigants by resorting to the extraordinary jurisdiction. A person acting bona fide and having sufficient interest in the proceeding of public interest litigation will alone have a locus standi and can approach the Court to wipe out violation of fundamental rights and genuine infraction of statutory provisions, but not for personal gain or private profit or political motive or any oblique consideration. These aspects were highlighted by this Court in The Janta Dal v. H.S.Chowdhary [1992 (4) SCC 305] Lhendup Dorji vs. Central Bureau and Kazi Investigation (1994 Supp (2) SCC 116). A writ petitioner who comes to the Court for relief in public interest must come not only with clean hands like any other writ petitioner but also with a clean heart, clean mind and clean objective. See Ramjas Foundation v. Union of India (AIR SC852) and K.R.Srinivas v. R.M.Premchand (1994 (6) SCC 620)."

The fifth Respondent's endeavour was to show that all the petitioners are actuated by ill motive and that in a previous litigation too, allegations and aspersions were cast against him, despite which this court dismissed the writ petition (A.I. Singh's case). However, this Court notices that the said proceeding did not relate to the award of the Puraskar. The Petitioners too

were not parties in that proceeding. Furthermore, by the present petition, what is highlighted is the decision making process and the change in constitution of the Selection Committee in a manner that from a predominance of sportspersons in the Committee, there is none today. Having regard to these circumstances and facts, it is held that the present petition cannot be dismissed on the ground of ill-motive or that it is a 'publicity interest litigation'.

## III Composition of Selection Committee for the Puraskar

34. This Court on 27.05.2013 directed the MYAS to produce the relevant records pertaining to the rationale for change in selection procedure and composition of selection committee for the Pususkar with effect from 2011. The earlier composition of the Selection Committee for the Puraskar was the same as that for the Rajiv Gandhi Khel Ratna Award, the Arjuna Award and the Dhyan Chand Award. The Secretary (Sports) recommended that the Selection Committees for the Rashtriya Khel Protsahan Puraskar and that for the Dhyan Chand Award should be separate from the Selection Committees for the Khel Ratna and Dhyan Chand Award. The following tables demonstrate the change in composition:

Table I: Prior to change (Common Selection Committee)

1.	Sportsperson of Eminence	Chairman
2.	Olympians of eminence from different	5 members
	disciplines	
3.	Arjuna Awardes from different disciplines	4 members
4.	Sports Administrators	2 members
<i>5</i> .	Director General, Sports Authority of India	Member (Ex-officio)

6.	Joint Secretary (Sports), Ministry of Youth	Member (Ex-officio)
	Affairs and Sports	
7.	Director/Deputy Secretary (Sports),	Member-Secretary (Ex-
	Ministry of Youth Affairs and Sports	officio)

Table II: Proposed New Selection Committee for Dhyan Chand Award

1.	Secretary, Department of Sports, Ministry	Chairperson
	of Youth Affairs & Sports	
2.	Olympians of eminence	2 members
<i>3</i> .	Previous Dhyan Chand Awardees	2 members
4.	Sports Administrators	1 member
5.	Director General, Sports Authority of	Member (Ex-officio)
	India	0.
6.	Joint Secretary (Sports), Ministry of	Member (Ex-officio)
	Youth Affairs and Sports	
7.	Deputy Secretary/ Director (Sports),	Member-Secretary (Ex-
	Ministry of Youth Affairs and Sports	officio)

The following changes can be observed:

- 1) Chairperson is now the Secretary (Sports), instead of a Sportsperson of eminence.
- 2) Olympians have been reduced to 2 from 5 (-3).
- 3) 4 Arjuna Awardees have been replaced by 2 Dhyan Chand Awardees.
- 4) 2 Sports Administrators have been reduced to 1 (-1).

# Table III: Effect of the changes in the composition of the Selection Committee for the Dhyan Chand Award

	Sportspersons	Government Representatives	Total Composition
Previous	1+5+4=10	2+1+1+1=5	15
Committee			
Proposed	2+2=4	1+1+1+1=5	9
Committee			

Table IV: Proposed Selection Committee for Rashtriya Khel Protsahan Puraskar

1.	Secretary, Department of Sports, Ministry of	Chairperson
1.	Youth Affairs & Sports	Champerson
2.	Previous awardees of Rashtriya Khel	2 members
	Protsahan Puruskar	
3.	Nominee of Industry associations, viz.	1 member
	Federation of Indian Chamber of Commerce	
	& Industry (FICCI), Confederation of Indian	
	Industries (CII), Associated Chamber of	
	Commerce (ASSOCHAM) etc.	1
4.	Secretary (Sports) (in person) of State	2 members
	Government	
5.	Director General, Sports Authority of India	Member (Ex-
		officio)
6.	Joint Secretary (Sports), Ministry of Youth	Member (Ex-
	Affairs and Sports	officio)
7.	Deputy Secretary/ Director (Sports), Ministry	Member-Secretary
	of Youth Affairs and Sports	(Ex-officio)

# The following changes can be observed

1) Chairperson is now the Secretary (Sports), instead of a Sportsperson of eminence.

- 2) All (5) Olympians and all (4) Arjuna Awardees have been replaced by 2 previous awardees of the Rashtriya Khel Protsahan Puraskar (i.e. non-sports persons).
- 3) 1 nominee of Industry Associations has been added.
- 4) 2 Sports Administrators have been replaced by 2 State Government Sports Secretaries.

Table V: Effect of the changes in the composition of the Selection Committee for the Rashitriya Khel Protsahan Puruskar:

	Sports	Industry	Government	Total
	persons	(includes RKPP	Representative	Compositio
	1.0	awardees as the	S	n
	17	award is aimed	30	
		at industry)	8	
Previous	1+5+4=	0	2+1+1+1=5	15
Committee	10	<i>Y/</i> A		
Proposed	0	2+1=3	1+2+1+1+1=6	9
Committee		- 15 VI (35 ) VI		/

35. The file notings (extracted below) show little or no explanation for the change. There is only a bald recommendation by the Sports Secretary proposing a change in the composition of the Selecting Committees. No justification, howsoever cursory, is provided for the need to set up separate Selection Committees for Dhyan Chand and RKPP or for the particular composition of the proposed Committees that is so markedly different from *status quo ante*. The relevant file notings are as below:

### Secretary (Sports) on 02.02.11:

[Comment proposing increase of Arjuna Awards for the present year on account of performance in CWG and Asian Games]

"2. The Selection Committee for the Dhyan Chand Award (Lifetime achievement) and the Khel Protsahan Puraskar needs to be separate from the Arjuna Awards / Khel Ratna Award. [Marked as 'A'] May consider approving a Committee w/ reps from Industry/ large PSUs/ Industry Chambers/ Distinguished Citizens under the Chairmanship of Secy (Sports). [Marked as 'B']"

#### MoS (IC)/YAS on 03.02.11:

- "1. I agree that there should be separate committees as mentioned at 'A' above.
- 2. As regards 'B' above, apart from the categories mentioned we should also involve representatives of Gold Quest and Mittal Trust who are also doing a lot of talent spotting. Kindly put up names for approval."

## The Secretary (Sports) on 24.02.11

"Not recommended on the Jury. These entities are potential candidates for the Award."

36. The records produced by MYAS thus show that the Union Secretary, Department of Sports suggested a change in the Selection Committee for the Dhyan Chand Award and the Puraskar on 02.02.2011. The inclusion of representatives from the industry chambers, large public sector undertakings and distinguished citizens was suggested. This was approved by the Minister of State (Independent Charge), Ministry of Youth Affairs and Sports on 03.02.2011, who also recommended the inclusion of representatives of 'Gold Quest and Mittal Trust'. The inclusion of representatives of 'Gold

Quest and Mittal Trust' was later withdrawn on 24.02.2011 as it was realized that they could be potential candidates for the Puraskar. However, there is nothing to indicate the reason for exclusion of Olympians/Arjuna Awardees who were on the Selection Committee in terms of the previously existing rules for the Puraskar. This Court notes that while the new Selection Committee for the Dhyan Chand award included Olympians of eminence, no such provision was made in the Committee for selecting Puraskar awardees.

- 37. Some other records produced by the MYAS relate to the recommendations of the Minister of State (Independent Charge) for Youth Affairs and Sports for modifications in the weightage allotted to different criteria for award in the category of "Community Sports identification and nurturing of budding/young talent" and the Selection Committee for the same. Further, the recommendations in this regard were made on 17.08.2011, i.e. much after the Scheme for the Puraskar for 2011 had been amended. These records, therefore, are relevant only insofar as the proposed amendment to the Scheme for the Puraskar in 2012 is concerned and not for 2011.
- 38. The discussions evident from the records do not anywhere reveal the justification or *rationale* for the alteration in composition of the Selection Committee from 2009 to 2011 and the removal of eminent sportspersons from the Committee. Although the representation of sports administrators can be justified on the ground that the Puraskar, unlike Arjuna Award and Rajiv Gandhi Khel Ratna, is concerned with sports management and contribution by non-sportspersons, i.e. administrators, donors, and others who encourage sport in India, the total removal of eminent sportspersons

and past Olympians and former Arjuna Awardees from the Selection Committee is inexplicable. The presence of sportspersons on the Selection Committee is necessary to ensure that the nominees' contribution is not just facially impressive but has genuinely led to promotion of sporting activity. The inclusion of former recipients of the Puraskar is not sufficient, as such former recipients would also be limited to sports administrators/donors and other non-sportspersons. The composition thus reveals a total exclusion of sportspersons and those who primarily use the facilities and engage in sports- the promotion of which is claimed by nominees. The inclusion of none from this category and their total exclusion -given the predominance of such category in previous Committees (2009 and 2010) without any rhyme or reason smacks of complete non-application of mind. To compound this fallacy, the Scheme governing the Puraskar nowhere indicates any mechanism whereby feedback of such sports persons, or at least users of the facilities or those engaged in the concerned sports, is made available and placed on the record.

39. Union of India and another v. International Trading Co & Anr, (2003) 5 SCC 437, is a pertinent authority on the power of the executive to change policies and the parameters governing such change. The Supreme Court held as follows:

"15.While the discretion to change the policy in exercise of the executive power, when not trammelled by any statute or rule is wide enough, what is imperative and implicit in terms of <u>Article 14</u> is that a change in policy must be made fairly and should not give impression that it was so done arbitrarily on by any ulterior criteria. The wide sweep of <u>Article 14</u> and the requirement of every State action qualifying for its validity on this touchstone

irrespective of the field of activity of the State is an accepted tenet. The basic requirement of Article 14 is fairness in action by the state, and non-arbitrariness in essence and substance is the heart beat of fair play. Actions are amenable, in the panorama of judicial review only to the extent that the State must act validly for discernible reasons, not whimsically for any ulterior purpose. The meaning and true import and concept of arbitrariness is more easily visualized than precisely defined. A question whether the impugned action is arbitrary or not is to be ultimately answered on the facts and circumstances of a given case. A basic and obvious test to apply in such cases is to see whether there is any discernible principle emerging from the impugned action and if so, does it really satisfy the test of reasonableness."

- 40. In Delhi Development Authority & Anr v. Joint Action Committee, Allottee of SFS Flats & Ors, (2008) 2 SCC 672, similarly, it was observed that:
  - "64. An executive order termed as a policy decision is not beyond the pale of judicial review. Whereas the superior courts may not interfere with the nitty gritties of the policy, or substitute one by the other but it will not be correct to contend that the court shall like [sic keep] its judicial hands off, when a plea is raised that the impugned decision is a policy decision. Interference therewith on the part of the superior court would not be without jurisdiction as it is subject to judicial review..."
- 41. It is settled that every executive government, or agency of the government is obliged to, while exercising discretion, take into consideration only factors that are relevant and germane to the issue and avoid irrelevant factors. If relevant considerations are ignored or irrelevant considerations prevail or irrelevant considerations enter the matrix of decision making process, the ultimate decision is questionable. (Ref *Comptroller and Auditor General of India v. K.S. Jagannathan*, AIR 1987 SC 537 that "High Courts in India exercising their jurisdiction under Article

- 226 have the power to issue a writ of mandamus or a writ in the nature of mandamus or to pass orders and give necessary directions where the Government or a public authority has failed to exercise or has wrongly exercised the discretion conferred upon it by a statute or a rule or a policy decision of the Government or has exercised such discretion mala fide or on irrelevant considerations or by ignoring the relevant considerations and materials or in such a manner as to frustrate the object of conferring such discretion or the policy for implementing which such discretion has been conferred.").
- 42. In <u>Shri Sitaram Sugar Co. Ltd. v. Union of India</u> (AIR 1990 SC 1277), the Supreme Court held that a repository of power acts *ultra vires* either when it acts in excess of its powers in the narrow sense or it abuses its power by acting in bad faith or for an inadmissible purpose or with gross unreasonableness. In *Star Enterprises v. City and Industrial Development Corporation* 1990 (3) SCC 280 it was held that "Looking for reasons in support of such action provides an opportunity for an objective review in appropriate cases both by the administrative superior and by the judicial process."
- 43. The complete lack of reasons why the MYAS was of the opinion that the change proposed by it should exclude from the Selection Committee altogether the category of sportspersons- who dominated previous Selection Committees, just before the process began in this case, is arbitrary. While the executive is free to change its policy- given the need to optimize efficiencies and gain from past experience, yet there should be some *rationale* for the change. The reasons might not be in the form of an

elaborate explanation; they are not to be in the form of a "speaking order" with detailed reasoning. Yet, change has to be preceded by exercise of informed choice and due application of mind. Whether the pre-existing structure, weighing heavily in favour of sportspersons distorted the consideration of applicants in previous years, if so, in what instances; and why their complete elimination from the new Committee for 2011 was deemed expedient, are matters that should have found their way in the official notes. The new committee is notable for the absence of any sportsperson. Mere inclusion of past awardees, in the opinion of this court, amounts to paying lip service to the cause sought to be served; such category of persons or entities would be the same, i.e. institutions or donors. There would be an element of self-congratulation involved because if one institution or individual does not secure the award in a given year, the others might ensure that it gets the award in the coming year. For these reasons, it is held that the decision to so change the composition of the Selection Committee was arbitrary and unsustainable.

## IV: Was the selection contrary to law on account of conflict and bias?

44. The Petitioners have also alleged that the selection of Respondent No. 5 was in violation of Rule 7.6 of the Scheme for the Puraskar as Mrs. Shantini Kapoor – Principal Secretary, YWSDD – had prior knowledge of the academy in her present position as well as Member Secretary, SDAT (Respondent No. 3) in 2011. In response, Respondent No. 1 has submitted that Mrs. Shantini Kapoor was absent in the meetings of the Selection Committee that decided on the Puraskar awardees. Based on the records produced by the MYAS, this Court accepts its contention and holds that

there was no infirmity in the selection of Respondent No. 5 inasmuch as Rule 7.6 of the Scheme is concerned. Rule 7.6 disqualifies interested members of the Selection Committee from participating in deliberations concerning only that entity in which the member has an interest. Since Mrs. Shantini Kapoor did not participate in the meetings of the Selection Committee held on 26.07.2011 and 11.08.2011 where the fifth Respondent's nomination was discussed, we do not find any irregularity.

### V: Selection of fifth Respondent as the Puraskar Awardee

45. At the outset, it would be essential to recollect the parameters of judicial review in such cases. *Board of Control for Cricket in India & Anr. v. Netaji Cricket Club and Ors.* (2005) 4 SCC 741 is a judgment where the Supreme Court considered the duties of the Board of Cricket Control for India- a registered society, which regulates cricket in India and represents the sport in the country in the international regulatory body, i.e. International Cricket Council (ICC), and underlined its public functions and spelt out its obligations to act fairly and in good faith:

"As a member of ICC, it represents the country in the international fora. It exercises enormous public functions. It has the authority to select players, umpires and officials to represent the country in the international fora. It exercises total control over the players, umpires and other officers. The Rules of the Board clearly demonstrate that without its recognition no competitive cricket can be hosted either within or outside the country. Its control over the sport of competitive cricket is deeply pervasive and complete.

81. In law, there cannot be any dispute that having regard to the enormity of power exercised by it, the Board is bound to follow the doctrine of "fairness" and "good faith" in all its activities. Having regard to the fact that it has to fulfil the hopes and

aspirations of millions, it has a duty to act reasonably. It cannot act arbitrarily, whimsically or capriciously. As the Board controls the profession of cricketers, its actions are required to be judged and viewed by higher standards."

Zee Telefilms Ltd. and Anr. v. Union of India and Ors. (2005) 4 SCC 649 is an authority for the proposition that though the BCCI is not "State" within the expression under Article 12 of the Constitution, in appropriate cases, given the nature of its public functions, Article 226 can be invoked:

"31. Be that as it may, it cannot be denied that the Board does discharge some duties like the selection of an Indian cricket team, controlling the activities of the players and others involved in the game of cricket. These activities can be said to be akin to public duties or State functions and if there is any violation of any constitutional or statutory obligation or rights of other citizens, the aggrieved party may not have a relief by way of a petition under Article 32. But that does not mean that the violator of such right would go scot-free merely because it or he is not a State. Under the Indian jurisprudence there is always a just remedy for the violation of a right of a citizen. Under the Indian jurisprudence there is always a just remedy for the violation of a right of a citizen. Though the remedy under Article 32 is not available, an aggrieved party can always seek a remedy under the ordinary course of law or by way of a writ petition under Article 226 of the Constitution, which is much wider than Article 32."

These observations were reiterated recently in *Board of Cricket Control for Cricket in India v*. *Cricket Association of Biha*r 2015 SCC OnLine SC 60, (decided on 22.01.2015). Dealing specifically with an amendment (to Regulation 6.2.4 of the BCCI Regulations for Players, Team Officials, Managers, Umpires and Administrators) that excepted the Indian Premier League (IPL) from the rigours of the condition that no entity, administrator, official player or umpire could have any direct or indirect commercial

interest in the matches or events conducted by the board, the court observed that the amendment negated the resolves of the BCCI by permitting situations in which conflict of interest would grossly erode the confidence of the people in the authenticity, purity and integrity of the game (Para 90).

46. In this case, the Selection Committee was concededly performing a public function for the MYAS in deciding which organization or individual merited the Puraskar. At the outset, while scrutinizing its selection- this Court notices that though the award amount was not substantial, the importance of the task assigned to the Committee could not be undermined. Given the fact that sports funding is substantial by the Central Government, due importance to proper scrutiny of claims by various applicants was essential. This court is conscious of its limited role; it cannot substitute the opinion of the empowered body, i.e. the Selection Committee. Centre for Public Interest Litigation and Anr v. Union of India & Anr, (2011) 4 SCC 1 is authority for the proposition that the court, in judicial review cannot undertake a 'merits review' of the decision. Yet, it can examine if the recommending or expert body took relevant factors into consideration and did not ignore or overlook anything material, or if its decision was based on any irrelevant consideration, or if there was non-application of mind. Thus, it was held that the High Power Committee (which in that case was tasked with recommending a candidate for the post of Central Vigilance Commissioner) was duty bound to consider all relevant facts:

"While making recommendations, the criteria of the candidate being a public servant or a civil servant in the past is not the sole consideration. The HPC has to look at the record and take into consideration whether the candidate would or would not be able to function as a Central Vigilance Commissioner. Whether the

institutional competency would be adversely affected by pending proceedings and if by that touchstone the candidate stands disqualified then it shall be the duty of the HPC not to recommend such a candidate..."

47. As to the scope and nature of review, the Court held that the merits of the decision cannot be gone into in judicial review:

"We reiterate that Government is not accountable to the courts for the choice made but Government is accountable to the courts in respect of the lawfulness/legality of its decisions when impugned under the judicial review jurisdiction. We do not wish to multiply the authorities on this point..."

Another relevant decision on the subject is Rajesh Awasthi v. Nandlal Jaiswal 2013 (1) SCC 501 which examined the appointment to the Electricity Regulatory Commission under the Electricity Act, 2003; the relevant provision (Section 84 (1)) stated that the Chairperson and members "shall be persons of ability, integrity and standing who have adequate knowledge of, and have shown capacity in, dealing with problems relating to engineering, finance, commerce, economics, law or management." The High Court had after considering the minutes of the Selection Committee as well as the bio data, concluded that the statutory requirements had not been fulfilled. Repelling the appellant's contention of judicial review overreach, the Supreme Court held that judicial review remedy is available to highlight breach of statutory provisions, which might expose the public office holder to the charge of being a pretender to it. Dipak Misra, J, who delivered a concurring judgment, emphasized the necessity of adhering to the statute, and most crucially, the necessity of intellectual objectivity, which is to be brought to bear while considering the candidature of individuals:

- "25. It is manifest in the selection of the appellant that there is absence of "intellectual objectivity" in the decision making process. It is to be kept in mind a constructive intellect brings in good rationale and reflects conscious exercise of conferred power. A selection process of this nature has to reflect a combined effect of intellect and industry. It is because when there is a combination of the two, the recommendations as used in the provision not only serves the purpose of a "lamp in the study" but also as a "light house" which is shining, clear and transparent."
- 48. It is with the above understanding of law that this Court has to now proceed to examine the process of award of Puraskar to the fifth Respondent, within the narrow confines of judicial review available in such matters. The Petitioners allege that the fifth Respondent's nomination (by the 3<sup>rd</sup> Respondent, dated 28.04.2011) for the Puraskar was forwarded by the Tamil Nadu Government on 6<sup>th</sup> May and received by MYAS on 09.05.2011, well after the due date of 02.05.2011. MYAS's explanation is that two applications one through SRFI and another through the third Respondent, YWSDD were received. It is the latter which was received on 09.05.2011 while the application through SRFI (also dated 28.04.2011) was received on 29.04.2011. From the records produced by MYAS, its contention appears to be correct and justified.
- 49. On 27.07.2011, the Under Secretary, MYAS wrote to the Secretary General, SRFI stating that Mr. Ramachandran, the fifth Respondent, had been short listed for the Rashtriya Khel Protsahan Puraskar, 2011, and requested for details of the financial contributions made by him in the establishment and management of the three academies mentioned in the application. On 30.07.2011, the Secretary General, SRFI replied as follows:

### "Funds contributed by Mr. N. Ramachandran to the Academies

The Indian Squash Academy and the Triathlon Academy were established in the year 2000 at Nehru Park on land leased by the Government of Tamil Nadu- Sports Development Authority of Tamilnadu. The academies were established under the 50-50 scheme of Ministry of Youth Affairs and Sports Government of India. The contribution of the Federation of 50% was organised by Mr. N. Ramachandran and his associate companies to the tune of Rs. 5 Crores. The total construction area for both squash and triathlon along with a 25m short course Olympic swimming pool works out to approximately 30,0000 sq ft and at a averaged cost of Rs. 1000 per sq ft this works out to 3 crores. This along with imported equipments/other accessories (Rs 2 Crores) works out to a approximate total of 5 crores for the infrastructure, Apart from this the running expenses of approximately Rs 75 Lakhs per year was met by Mr.Ramachandran and his associate companies. For the last 10 years this works out to Rs.7.5 Crores.

As a result the expenditure in running the Academy has also increased. MR. Ramachandran over the last two years has contributed more than 2 crores in the development of the sport. We enclose a certificate confirmed the amount given by Mr.N.Ramachandran and his owned companies for the development of squash for the last two years

As squash gained popularity it was necessary to establish Academies at many more centres. To begin with it was decided to establish a Squash Academy at Salem a District in Tamil Nadu. Mr.Ramachandran with the help of his friends raised funds to the extent of 50 Lakhs to build two state of the art courts in Salem...Mr.Ramachandran with his Friends and Associate's are spending close to a lakh of rupees per month on running this facility."

50. In support of this letter, the Secretary General provided a certificate dated 29.07.2011

"that an amount of Rs. 2,08,50,000/- (Two Crores Eight Lakhs and Fifty thousand only) has been contributed to The Indian Squash Academy, by Shri N Ramachandran, and his Companies for the Development of Squash in the Last Two years."

- 51. The Squash Rackets Federation of India claimed on behalf of the fifth Respondent that he, and through his 'associate companies', contributed ₹ 75 lacs per year just on running expenses. While we find the total figure of ₹ 15 Crores incredulous, it will be enough to simply examine the contribution that has been explicitly certified at the value of ₹ 2.08 crores for the past two years.
- 52. We have at hand, balance sheets for the FY 2008-09 and 2009-10 that were submitted to the Selection Committee as part of the fifth Respondent's application. Certified by Venkat & Rangaa, Chartered Accountants on 03.06.2010, the total liabilities and assets are balanced for FY 2008-09 as ₹ 2,71,15,187 and that for 2009-10 as ₹ 2,79,64,273. Expenditure for the two years are ₹ 78,19,918.17 and ₹ 1,98,05,690.5 respectively. It is said that the fifth respondent provided for at least ₹ 2.08 crores out of this total of ₹ 5,50,79,460 in two years. A perusal of the balance sheet says otherwise. The following is the statement of Income and Expenditure for the years 2008-09 and 2009-10, as condensed into subcategories:

Squash Rackets Federation of India				
TABLE I: Income (In Rupees, ignoring paise)				
Heads Years				

	31.03.2009	31.03.2010
Donation Received+ Affiliation Fees+ World		
Squash Day Revenue+ Contribution to Sports		
Development	1,25,000/-	22,02,100/-
Grant in Aid	33,88,324/-	14,69,087/-
Grant from Organising Committee		
CWG 2010		3,74,921/-
Grant in Aid for Preparation of Indian		
Team for CWG 2010	15,00,687/-	1,53,35,691/-
Interest	61,250/-	11,003/-
Sponsorship Received	13,00,000/-	
Entry Fees	1,24,027/-	
OURTO		
Excess of Expenditure over Income	13,20,629/-	<u>4,12,888/-</u>
1 0 200	~ . I	
<u>Total</u>	<u>78,19,918/-</u>	<u>1,98,05,690/-</u>

TABLE II: Expenditure (In Rupees, ignoring paise)

Years

12,50,500/-

*15,86,348/* 

Heads

Other Expense

(without overarching categorisation)

31.03.2009 31.03.2010 Bank Charges+ Audit Fees+ Certification 15,300/-34,163/-Fees Grant under Scheme Assistance to National **Federation** 45,58,867/ 14,69,087/-Federation Cost 17,42,013/-Grant in Aid for Preparation of Indian Team 15,00,687/ 1,46,05,214/for CWG 2010 1,58,715/-Federation Cost 3,09,184/-Grant from Organising Committee 3,74,921/-CWG 2010 Federation Cost 20,608/-

Total	78,19,918/	1,98,05,690/-

- 53. As is immediately apparent, the lion's share of the income is in the form of grants that have been provided for various tournaments. The grants for 2008-09 comprise of grant in aid ( $\stackrel{?}{}$  33,88,324/-) and grant for preparation of Indian Team for CWG ( $\stackrel{?}{}$  15,00,687/-), totalling to  $\stackrel{?}{}$  48,89,011/-. The grant in aid for 2009-10 comprises of grant in aid ( $\stackrel{?}{}$  14,69,087/-), grant from the CWG Organising Committee ( $\stackrel{?}{}$  3,74,921/-) and grant for preparation of Indian Team for CWG ( $\stackrel{?}{}$ 1,53,35,691/-), totalling to  $\stackrel{?}{}$  1,71,79,699/-. Naturally, this money cannot be attributed to the fifth Respondent by any stretch of mind. The only income that can be attributed to a private party is  $\stackrel{?}{}$  17,50,000/- that is recorded in 2009-10 under 'donation received'.
- 54. The expenditure's page tells a similar story. Payments made from 3 Grants are ₹ 45,58,867/-; ₹ 15,00,687/-; ₹ 0 for 2008-09 and ₹ 14,69,087/-; ₹ 1,46,05,214/-; ₹ 3,74,921/- for 2009-10 respectively. The 'Federation Cost' is quantified at a paltry ₹ 1,58,715/- for 2008-09, and ₹ 20,71,805/-(i.e. ₹17,42,013/- + 3,09,184/- + 20,608/-) for 2009-10.
- 55. Of the total expenditure of ₹ 78,19,918/- in 2008-09, and ₹ 1,98,05,690/- in 2009-10, this court notes, that money from grants was responsible for payment of at least ₹ 60,59,554/- (being 45,58,867/- + 15,00,687/-) in 2008-09 and at least ₹ 1,64,49,222/- (being 14,69,087/- + 1,46,05,214/- + 3,74,921/-) in 2009-10. It is difficult to accept that the Respondent Ministry could have believed that ₹ 2.08 crores was provided

by the fifth Respondent and his associates or associate group companies over 2 years or that they have spent ₹ 75 lakhs just in maintenance expenditure on average each year.

56. Curiously there is no record of expenditure or payment made in terms of any maintenance/ electricity bills/ salaries for the coaches that have been hired- things that ought to have been recorded. While things such as stationery and the like are mentioned, the amounts are a pittance.

### Subsequent Improvements

57. A certificate that was provided by the same CAs Venkat & Ranga on 28.04.2011, has been produced and Annexed as R-1 by the MYAS as part of its affidavit in the course of these writ proceedings, but is not to be found anywhere in the record of the files produced by the Ministry. This certificate states that "amounts have been funded by Shri N. Ramachandran from his account as well as from the accounts of Companies under his management where he holds Directorship and substantial share holdings to the Tamil Nadu Squash Rackets Association and the Squash Racket Federation of India by way of Donation/Corpus Fund/Contribution towards the development of Squash for the year ended 31st March 2010 and 31st March 2011...":

"VENKAT & RANGAA

Chartered Accountants

**CERTIFICATE** 

This is to certify that the following amounts have been funded by Shri N. Ramachandran from his account as well as from the accounts of Companies under his management where he holds Directorship and substantial share holdings to the **Tamil Nadu Squash Rackets Association** and **The Squash Rackets Federation of India** by way of Donation/Corpus Fund/Contribution towards the development of Squash for the year ended 31st March 2010 and 31st March 2011 as per the details given below:

### FUNDS RECEIVED IN THE BOOKS OF TAMIL NADU SQUASH RACKETS ASSOCIATION

AUBT OF

FOR THE YEAR ENDED 31.03.2010		
(1) (5) (29) (C)	Amount	<u>Amount</u>
	<u>Rs.</u>	<u><b>Rs.</b></u>
By way of Corpus Fund	87,50,000	
By way of Contribution to Sports Development	3,50,000	91,00,000
FOR THE YEAR ENDED 31.03.2011		
By way of Donation	31,00,000	
By way of Contribution to Sports Development	5,00,000	36,00,000

# FUNDS RECEIVED IN THE BOOKS OF THE SQUASH RACKETS FEDERATION OF INDIA

FOR THE YEAR ENDED 31.03.2010		
	Amount	Amount
	Rs.	<u><b>R</b>s.</u>
By way of Donation	17,50,00	
	0	
By way of Corpus Fund	60,00,00	
	0	
By way of Contribution to Sports Development	3,00,000	80,50,000
FOR THE YEAR ENDED 31.03.2011		
By way of Donation	11,75,00	11,75,000

	0	
TOTAL (Details as per Annexure)		2,19,25,00
		0

This Certificate is issued based on the examination of books and accounts of M/s. Tamil Nadu Squash Rackets Association and M/s. The Squash Rackets Federation of India, and information and explanation furnished.

Date: 28th April 2011

Place: Chennai-35"

58. The detailed breakdown of the funds is provided in the annexure to the certificate

## "<u>ANNEXURE</u> TAMIL NADU SQUASH RACKETS ASSOCIATION

FOR THE YEAR ENDED 31st MARCH 2010		
	Amount Rs.	Amount Rs.
Corpus Fund:		
From M/s. EWS Finance & Investments P Ltd.	70,00,000	
From Mr. N. Ramachandran	17,50,000	87,50,000
Contribution to Sports Development:	·	
From Mr. N. Ramachandran		3,50,000
FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2011		
Donation		
From Mr. N. Ramachandran	7,50,000	
From M/s. Results Investments Pvt. Ltd.	11,50,000	
From M/s. Birdie Investments (Madras) Pvt. Ltd.	6,50,000	
From M/s. Babli Holdings P. Ltd.	5,50,000	31,00,000

Contribution to Sports Development	
From Mr. N. Ramachandran	5,00,000

### THE SQUASH RACKETS FEDERATION OF INDIA

FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2010		
<b>Donation</b>		
From Mr. N. Ramachandran	17,50,000	
Corpus Fund:		
From M/s. EWS Finance & Investments P. Ltd.	60,00,000	
Contribution to Sports Development:		
From Mr. N. Ramachandran	3,00,000	

FOR THE YEAR ENDED 31ST MARCH 2011	1.51	
Donation:		
From M/s. Birdie Investments (Madras) Pvt. Ltd.	9,25,000	
From M/s. Babli Holdings P. Ltd.	2,50,000	11,75,000
TOTAL	1	2,19,25,00
		0

A total of ₹ 2,19,25,000 is therefore said to have been paid by the fifth Respondent and his associates between 2009-11 to two entities- the Tamil Nadu Squash Rackets Association (₹ 1,27,00,000) and the Squash Rackets Federation of India (₹ 92,25,000).

- 59. The following clear inferences can be made in this regard:
- (1) In the original application that was received by the Ministry, only the balance sheet of SRFI dated 03.06.2010 has been annexed, alongwith a certificate dated 29.07.2011 from its Secretary showing receipt of approximately ₹ 2.08 crores towards the *Indian Squash Academy* from the

fifth Respondent for the FY 2008-09 and 2009-10.- there is no mention about the Tamil Nadu Squash Rackets Association at all, nor is there any additional certificate from the CAs.

- (2) The CA's 2011 certificate pertains to amounts paid to two entities- the Tamil Nadu Squash Rackets Association (₹ 1,27,00,000) and the Squash Rackets Federation of India (₹ 92,25,000). This certificate therefore varies both in terms of the beneficiaries of the fifth Respondent's largesse (TNSRA & SRFI, as opposed to the Indian Squash Academy initially) and the amounts that they received (SRFI received ₹ 92,25,000 according to the CA's certificate, but the SRFI certificate states that ISA received ₹ 2.08 crores). There is a commingling of entities by all concerned.
- (3) The consideration was of the application recommended by the Government of Tamil Nadu (received by the Central Government, MYAS on 29<sup>th</sup> April 2011) as is evident from the reply to the RTI query by the MYAS (dated 14-10-2011). This can be seen by reply to Para XIV of the MYAS' affidavit (sworn to by Mr. S.P.S Tomar). Importantly, the RTI reply itself states that "Shri Ramachandran's application was nominated by the Government of Tamil Nadu". This is further borne from the fact that Selection for the award/Puraskar by the Selection Committee, dated 11.08.2011 attaches a copy of the nomination form recommended by the Tamil Nadu Government, not recommended by the Secretary General of the SRFI (Srivatsan Subramaniam).

- (4) The CA's 2011 certificate pertains to the years 2009-10 and 2010-11, but the documents attached in the original application pertain to the years 2008-09 and 2009-10.
- (5) As such, the only documents that the Selection Committee relied upon while making its decision were those submitted to the Ministry at the time of the original application. The CA's certificate dated 28.04.2011 is making its appearance for the first time as Annexure R-1 to the Under-Secretary S.P.S. Tomar's affidavit. In the absence of any document from the CAs pertaining to 2010-11, the only documents that the committee had to ascertain Mr. Ramachandran's contributions were 1) a bald certificate dated 29.07.2011 from SRFI stating that he had contributed ₹ 2.08 crores over the past two years 2) a letter from SRFI dated 30.07.2011 extracted above, and 3) the SRFI's balance sheet certified on 03.06.2010 by the CAs Venkat & Rangaa for the FY 2008-10.
- 60. Thus, on the basis of the balance sheet dated 03.06.2010, no Selection Committee could have believed that ₹ 2.08 crores was contributed by the fifth Respondent or that that an average yearly maintenance of ₹ 75 lacs was being shouldered by him.
- 61. There are other features which the court can discern from the material placed on the official record:
  - (a) Squash Academy and Triathlon Academy are in the same campus.
  - (b) All infrastructure that has been detailed is with regard to only the Chennai campus (squash and Triathlon Academy); no data concerning Salem, except for the note that the India Squash

Academy has a branch in Salem, and that one player who has won nationals is a product of that category.

- (c) It is not clear as to who the Chartered Accountant firm worked fori.e. SRFI, or the fifth Respondent.
- 62. In the light of the above analysis it would now be relevant to consider the MYAS contention that the requirement of having to contribute at least ₹ 2 crores/ 5% of an individual's total income towards promotion and development of sports is not fatal to the fifth Respondent's selection for the Puraskar. Rule 4 of the Scheme for 2011, which provides for eligibility, reads as follows:

### "4. ELIGIBILITY

4.1 Any corporate entity, public or private, that has played a visible role in the area of sports promotion and development. Individuals/proprietary/partnership entities which have done commendable work in this area will also be considered under this scheme. The entities which have contributed a minimum of 5% of their gross profit or an amount not less than Rs.2 crore in the preceding financial year towards sports promotion and development will be eligible to be considered for the above categories of the awards. Outlays meant purely for commercial purposes will not be counted towards this contribution. Similarly, outlays towards sports business ventures will also not be counted. In other words, only contributions of non-commercial nature as part of corporate social responsibility will be considered for assessing the contribution made by the corporate concerned, towards the promotion and development of sports in the country."

- 63. Financial contribution is a criterion for eligibility for 'entities'. Therefore, the issue that arises is whether 'individuals' can be said to be included in 'entities' in the aforesaid provision. Broadly, the rule suggests that two different classes of applicants may be eligible for the Puraskar: (a) a corporate entity that has played a visible role in the area of sports promotion and development; (b) individuals/proprietary/partnership entities which have done commendable work in this area. The respondents submit that the requirement of financial contribution of ₹ 2 crore/ 5% of gross profit is an additional one for 'entities' and not 'individuals/proprietary/partnership'. This submission is on the footing that the precondition (of  $\aleph$  2 crores contribution) cannot be read as a suffix to 'individuals' as the term 'individuals entities' would be incorrect. Therefore, it would apply only to 'partnership entities' or 'proprietary entities'. The further submission is that the subsequent wording of Rule 4.1, states "only contributions of noncommercial nature as part of corporate social responsibility will be considered". The last argument is that the reference to corporate social responsibility can apply to organisations, not individuals, and therefore financial contributions are not to be determinative for the consideration of individuals.
- 64. If one looks at the entirety of the scheme, it is apparent that financial contribution plays a significant part in considering the role played by the nominated applicant. The Puraskar has four different awards: (i) community sports- identification and nurturing of budding/young talent; (ii) Financial support for sports excellence; (iii) Establishment and management of sports academies of excellence; (iv) employment of sports persons and other sports

welfare measures. Each of these categories or classes has a common factortangible or visible support towards institution building and monetary contribution. In the second category (ii) financial support is directly involved. If this is to be considered together with Para 4.1 (Eligibility condition) in entirety, there can be no distinction between corporate entities, other association of persons (partnership firms) or individuals. In other words, for category (ii) the nature of financial support envisioned is identical, without reference to whether the applicant is a company or partnership or an individual. Likewise, in the case of the other three categories, the degree of contribution towards institution building requires a baseline level of financial commitment. It cannot be anyone's case that a partnership firm cannot be responsible for financially committing over two crores if it comprises sports enthusiasts, or that individuals cannot do that. Therefore, the only obvious and clearly spelt out criteria under the scheme uniformly applies to all categories of awards- i.e. minimum contribution of ₹ 2 crores. The contributions and outlays which are not to be considered for the purpose of the award are commercial outlays and outlays for sports businesses. The reference to contributions made for corporate social responsibility would apply only where the category warrants it, i.e. if the applicant is a company. The allusion to that condition, in the opinion of the court cannot rule out the application of the basic qualifying criteria ₹ 2 crore contribution, by partnerships and individuals. Seen contrarily, if the said criteria is held to be inapplicable to individuals, there is no discernible criteria for awarding the Puraskar in such cases. Widest latitude would be available to each Selection Committee, which would then be free to judge individuals and partnership's applications by entirely different standards

from that of companies and such like entities. That invites the odium of discriminatory application of the same set of norms. This Court notices that one of the criteria for selection of an awardee in the subject category is 'Total expenditure incurred for the establishment of academy'. Therefore, it cannot be argued that contribution to the extent of  $\gtrless$  2 crore/5% of gross profit is not a pre-condition for the grant of the Puraskar to individuals.

65. The MYAS states that the financial precondition was inapplicable. However, the application which was finally considered- which is part of the official file and annexed to the Selection Committee's deliberations of 11-08-2011- contain only the documents originally filed with the application recommended by the Tamil Nadu Government. This, in turn did not annex or enclose anything worthwhile. The MYAS therefore wrote a letter (to the SRFI) asking it what were the financial contributions of the fifth respondent-by a letter dated 27<sup>th</sup> July, 2011 (which appears in the MYAS file). The said letter, at page 36 of the official file, *inter alia*, reads as follows:

"...It is requested that the details of financial contributions made by Shri. N. Ramachandran in the establishment and management of of the academies mentioned in the application may please be sent to this Department immediately and let us by 1<sup>st</sup> August 2011."

In response, the SRFI wrote back on 30<sup>th</sup> July, 2011 stating that the Squash and Triathlon Academy were established in 2000 on land leased by the TN Government under the 50-50 scheme of the MYAS. It was stated that the contribution of SRFI was organized by the fifth Respondent "and his associate companies to the tune of Rs 5 crores. The total construction area for both squash and triathlon along with a 25m short course Olympic

swimming pool works out to approximately 30,000 sq feet and at a averaged cost of Rs. 1000 per sq ft this works out to 3 crores. This along with imported equipments/ other accessories (Rs 2 crores) works out to a approximate total of 5 crores for the infrastructure. Apart from this the running expenses of approximately Rs 75 Lakhs per year was met by Mr. Ramachandran and his associate companies. For the last 10 years this works out to Rs. 7.5 Crores..". The letter also annexes a certificate issued by the SRFI itself that an amount of ₹ 2,08,50,000/- "has been contributed to The Indian Squash Academy, by Shri N Ramachandran, and his Companies for the Development of Squash in the Last Two years."

- 66. The overall picture which emerges from this correspondence and the response, is that both MYAS and the fifth Respondent, as well as the SRFI understood and interpreted clause 4.1 as requiring the contribution of even individuals to be at the same level (₹ 2 crores) or at par with companies and "entities". The subsequent *volte face* in the affidavit of Shri Tomar, and the fifth Respondent, therefore is of no avail.
- 67. The entire application nominating the fifth Respondent, and the manner it was pursued paints a curious sight. If indeed, it was the SFRI's contribution which was to be considered, nothing prevented the organization from seeking the nomination. This would have been understandable considering that the Academy itself was funded- substantially at least by the MYAS and land was allotted to it. Furthermore, if indeed contributions had been made by the fifth Respondent, as is claimed now, the most appropriate documents to support that would have been his income tax returns or his *personal* balance sheets reflecting such contributions (to the tune of ₹ 75

lakhs annually). Likewise, any contribution made by a group company at the behest of the fifth Respondent would have been documented in its (such company's) returns/ balance sheets, where it would have claimed donations and possibly even tax benefits. No such documents are forthcoming; even the names of such contributing companies, or their certificates stating that the amounts were paid at the behest of the fifth Respondent, were produced. The version of the fifth Respondent- as indeed the SRFI- could not have been accepted at face value. In these conspectus of circumstances and the state of the official record, the court is constrained to conclude that the tall or fanciful claims were given uncritical credulity by the Selection Committee, which proceeded to accept the application and recommend the fifth respondent for the Puraskar.

- 68. The decision to award the Puraskar and the awarding of it subsequently is vitiated by non-application of mind. The material on record showed:
- (1) funding by way of substantial grants to the Squash Rackets Federation of India:
- (2) structured grants for specific purpose (training for Commonwealth Games and other expenses);
- (3) The land on which the SRFI facility was built belonged to the Tamil Nadu government;
- (4) There was no information regarding infrastructure funding (building, equipment, purchase, etc.) covering SRFI or the fifth Respondent's role;

- (5) No information with respect to any routine expenditure of SRFI i.e. maintenance, expenses, salary, coaching fee, electricity, etc, which was supposedly by the fifth Respondent;
- (6) The claims of fifth Respondent were never verified for instance, whether he actually contributed ₹ 75 lakh annually, personally or through group companies and if so particulars regarding such entities and supportive documents.
- (7) The lack of any precision or clarity with respect to the funding and the expenditure defrayed to various entities, such as the Squash Rackets Federation of India, the Tamil Nadu Squash Rackets Academy and the India Squash Association. To add to the confusion, the Indian Triathlon establishment has also been kept in the same complex where the facility for which credit was initially sought by the fifth Respondent, is located. What was actually enclosed with the application (recommended by the Tamil Nadu government) were documents such as balance sheet, income and expenditure, list of assets and liabilities etc. pertaining to the Squash Rackets Federation alone. No document pertaining to the specifics with respect to the contributions received from the fifth Respondent, either monetary support or endorsements channelized by him through companies or any supportive material in this regard was placed on the record.
- 69. Each of the above were relevant facts required some degree of scrutiny. Also, the Selection Committee did not disclose why the claim of the fifth respondent for successes in Squash was attributable to him, and not the SRFI. This was important given that an individual was being selected for the Puraskar the first time. It would not be unreasonable to conclude that the

approach of the Committee appeared to be of genial camaraderie and affinity with the fifth respondent – more akin to "well we have heard good things about him, so there is no harm in recommending his name (for the Puraskar)"

- 70. The objective for the establishment of Puraskar and awarding is to achieve the larger goal of sports promotion in India. India spends over ₹ 600 crores annually in funding sports schemes and organizations (revised estimate for 2012-2013 being ₹ 659 crores; for 2010-2011 (estimates) being ₹ 3565- of which ₹ 2067 crores was for Commonwealth Games and ₹ 3709 crores for 2009-10 – of which the spending for Commonwealth Games was ₹ 2883 crores). It is the largest patron in the country, providing direct subsidies by way of grants, special schemes for spotting talent, creation of infrastructure, giving indirect encouragement such as customs duty exemptions for import of equipment, building stadia, bearing air fare and other expenditure. The use of these funds is a matter of public concern. If, in such utilization, infrastructure is created, for which an organization is to be credited with innovation, optimal use, or maximization of resource creation of some facility which can enable excellence in some sport for which awards are to be given, the body recommending the individual or organization has to carry out its task with seriousness. The monetary terms of the award may be unimportant; however, the recognition and honour bestowed on the organization is official certification of the fact.
- 71. The manner in which the whole selection took place, with respect to the fifth Respondent not only reveals a casual and uncritical acceptance of whatever was and offered by the applicant, but also exemplifies what is

wrong in such matters in Indian sports. Sportspersons and where they function and the general public they entertain, are a world apart, it so seems from the world of sports administrators! This disconnect is deeply thrown up in sharp relief in the facts of the present case where regardless of the facility which was claimed to have been developed, the ultimate user, i.e. the squash players/coach etc. had no voice in the selection of Puraskar or its awarding. It may well be that the fifth Respondent was a pioneer and had actually contributed to the development of squash in the country. Equally, it is possible that the claims put forward by him was not borne out and were highly exaggerated. Yet claims for the grant of such Puraskar cannot be dealt with in the manner that was done by the Selection Committee in the present case. The total disregard to the voices of squash players – past or present, and the squash coaches - past or present - in the opinion of this Court, was an insult to the sport. No attempt to secure some form of feedback from the users, or ask for tangible materials, apart from what was given, was made by the Selection Committee or the Central Government. Even the complaints which were given post announcement, were merely referred back to the fifth Respondent. All these show at best a casual mind; at worst, they betray some kind of premeditated determination to somehow go ahead and confer the Puraskar.

72. Undoubtedly, the encouragement of a sport like squash requires to be rewarded. May be the kind of Committee which selects sportspersons *per se* should differ from those who contribute to sports development, yet they cannot be two worlds apart. The present case demonstrates how the outcomes can vary and differ completely if the most relevant individuals, i.e.

sportspersons are kept out of the selection process itself and most importantly, where the body tasked with the job of selection does not ask the relevant questions or ignores to inform itself about fundamental issues such as proper verification of the claims made by an applicant seeking the Puraskar. This court therefore holds that the award of Puraskar to the fifth Respondent was finalized without a proper inquiry and proper application of mind; no attempt to verify the claims of achievement of the fifth Respondent were seriously made. The said decision, based on the Selection Committee's recommendation, is therefore unsupportable in law.

#### **Conclusions**

73. For the reasons stated above, this Court holds that - *first*, the exclusion of eminent sportspersons from the Selection Committee of the Puraskar was without any basis; and directs the first Respondent to make appropriate provisions for the same in the Scheme of the Puraskar for 2016. The Petitioners' challenge to the grant of the Puraskar for 2011 in the category of 'Establishment and Management of sports academies of excellence' has to succeed; the first three respondents are hereby directed to pass consequential orders, revoking the grant of Puraskar to the fifth Respondent, within four weeks from today. The writ petition is consequently allowed in the above terms. No costs.

S. RAVINDRA BHAT (JUDGE)

R.K. GAUBA (JUDGE)

**AUGUST 31, 2015/ajk**