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CONSEQUENCES OF FAILURE TO EXERCISE ADMINISTRATIVE DISCRETION: A STUDY IN INDIAN ADMINISTRATIVE LAW

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Introduction

Administrative discretion is an inherent part of governance, enabling authorities to take decisions within the parameters of prevailing laws and policies. It is an important tool for providing flexibility in decision-making, particularly in cases where strict application of rules can result in unfair outcomes. But when discretion is not applied where it is needed, it can lead to administrative paralysis, bureaucratic inefficiency, and legal issues. The Indian judiciary has time and again stressed that discretion cannot be given up in lieu of mechanical enforcement of rules.[745]

[745] K Jain, 'The Role of Administrative Discretion in India' (2016) 62(3) *Indian Journal of Public Administration* 431.

Neglecting to use administrative discretion can result in arbitrary rule, where officials merely apply routine regulations without regard to individual case facts. This tends to create injustices, especially when exceptions are required to protect constitutional rights and fairness. Courts have noted that the nature of discretion is to balance legal structures with situational requirements, resulting in a fair and equitable outcome. Among the strongest consequences of failing to use discretion is the deprivation of basic rights. Administrative decision-making frequently involves directly affecting the rights of citizens, e.g., land acquisition, employment, and public welfare. Without using discretion, citizens will be subjected to undue hardship, and legal safeguards offered by the Constitution become useless on the ground.[746]

The judiciary has always reaffirmed that failure to use discretion can be tantamount to abdication of duty. When officials fail to make decisions in situations where discretion is needed, it leads to bureaucratic inefficiency and delay. This not only impacts governance but also results in greater dependence on the judiciary, overloading courts with unnecessary litigation.[747] In addition, the lack of exercising administrative discretion has a direct consequence on economic and social welfare policies. For instance, in matters pertaining to public health, employment, and social security, the lack of discretion might result in rigid implementations that are oblivious to ground realities. This is especially so in situations where disadvantaged groups are affected by strict interpretations of welfare schemes without regard to genuine hardships.[748]

Another essential matter is the public perception of governance. When authorities decline to exercise discretion where needed, citizens lose confidence in administration. Citizens feel that the government is not listening to them and is indifferent to their needs, which may cause dissatisfaction and social unrest. Hence, administrative discretion is not only a procedural necessity but a foundation of democratic rule.[749]

Judicial precedents reflect a number of instances in which the failure to exercise discretion has been considered illegal. The courts have established definite expectations that administrative powers should practice reasonable decision-making so that discretion is exercised in ways that reflect justice and fairness. Failure to exercise discretion may cause authorities to breach legal concepts and trigger judicial oversight.[750] This paper analyzes the implications of such failure in terms of Indian administrative law on the basis of judicial precedents and scholarly discourse.

Understanding Administrative Discretion in India

Administrative discretion in India is seen as an unavoidable tool that allows public officials to decide within the law. As defined in R. D. Shetty v. International Airport Authority of India,[751] Justice Bhagwati stated that the exercise of discretion cannot be separated from good administration. This case emphasizes that discretion not only lies in administrative actions but is also crucial for the effective enforcement of policies. The Indian courts have always stood on the grounds that although discretion is necessary flexibility, it can only be employed in a form that maintains justice and fairness.

Where the discretion is actually not being applied, there would be a necessity for judicial interference. In the Purtabpore Co. case. Ltd. v. Cane Commissioner of Bihar,[752] the court illustrates how delegation of discretionary power can be defeated when an administrative functionary merely acts pursuant to directives

[746] *Id.*
[747] R Singh, 'Judicial Review of Administrative Inaction in India' (2014) 5(1) *Journal of Indian Law and Society* 123.
[748] A Nair, 'Patterns of Judicial Intervention in Administrative Discretion: Trends in Indian Case Law' (2018) 45 *Indian Journal of Law and Development* 299.
[749] *Id.*
[750] Ministry of Law and Justice, 'Administrative Discretion in Governance' (Ministry of Law and Justice, India, 2020) https://www.moj.gov.in accessed 12 April 2025.
[751] *R D Shetty v International Airport Authority of India* AIR 1979 SC 599.
[752] *Purtabpore Co Ltd v Cane Commissioner of Bihar* 1970 AIR 1896.

of a superior and abdicates exercising independent judgment. The court in this case struck down the exercise of discretion, emphasizing that when officials exchange their own discretion for directions from elsewhere, they breach their obligation of exercising discretion as contemplated by law.

Yet another key area deals with fettering discretion, whereby officials take hard-line policies that bar case-by-case assessments. In Shri Rama Sugar Industries Ltd. v. State of Andhra Pradesh,[753] the Supreme Court noted that administrative authorities could lay down general guidelines but should not substitute for the need of actual discretionary decision-making in cases. The court stressed that strict compliance with pre-determined policies, leaving no scope for subtle application, in effect deprives the discretion of the intended power and can result in unjust decisions.

The problem of unreasonableness in the exercise of discretion has also been a subject of judicial concern. In SR Venkataraman v. Union of India,[754] for instance, premature retirement of a government official was challenged on grounds that the administrative choice showed a lack of application of mind and was arbitrary. The court ruled that even if there are several options before an authority, the choice must be rooted in a rational analysis of the facts. This case upholds the doctrine that discretion has to be exercised reasonably and in consonance with the factual context of the case.

Abuse of administrative discretion on grounds of mala fides is another basis for judicial review. In G. Sadanandan v. State of Kerala,[755] the Supreme Court set aside an order of detention which was coloured by personal vendetta and oblique motive. The case amply illustrates that where an administrative order is based on personal prejudices or ill-will instead of objective considerations, it is liable to be held null and void. Such cases bring out the judiciary's zeal to ensure that the exercise of discretion is free from any malafide considerations.

Courts have also emphasized that the exercise of discretion in the right manner has to be based on material and relevant factors. In Barium Chemicals Ltd. v. Company Law Board and Rohtas Industries v. S.D. Agarwal,[756] the judiciary emphasized the need for administrative orders to be supported only by relevant considerations. If discretionary power is exercised in a way that ignores important facts or includes irrelevant ones, the resultant order is considered to be arbitrary. These cases are significant precedents which define the limits within which administrative discretion should be exercised.

Finally, the development of Indian administrative law has been marked by a series of landmark judgments which cumulatively uphold the necessity for balanced discretion. The courts' intervention in judgments like Maneka Gandhi v. Union of India has reasserted that although administrative discretion is essential to effective governance, it has to be exercised responsibly, with regard to fairness and equity.[757] The strong framework evolved through these court rulings ensures discretion continues to be an effective tool for governance without undermining individual rights against arbitrary state action.

Consequences of Failure to Exercise Administrative Discretion

1. Arbitrariness and Violation of Natural Justice

Refusal to use administrative discretion tends to produce arbitrary decision-making, where authorities implement rules by rote without regard to particular circumstances. The strict application goes against the concept of natural justice - particularly the right to a fair hearing - because decisions are taken without appropriate reasoning or attention to the specific facts involved. Indian courts have

[753] *Shri Rama Sugar Industries Ltd v State of Andhra Pradesh* 1974 AIR 1745.
[754] *SR Venkataraman v Union of India* AIR 1981 SC 1489.
[755] *G Sadanandan v State of Kerala* on 11 February, 1966.
[756] *Barium Chemicals Ltd v Company Law Board* 1967 AIR 295.
[757] *Maneka Gandhi v Union of India* AIR 1978 SC 597.

consistently held that administrative officials should give well-considered judgments and not merely follow precedent or superior orders, making sure that the peculiarities of each case are properly taken into account.[758]

2. Bureaucratic Inefficiency

Strict application of rules without the advantage of discretion can lead to great inefficiencies in the administrative process. To illustrate, while administering welfare schemes, strict conformity to eligibility requirements without allowing special or exceptional cases can inadvertently refuse benefits to individuals who truly deserve. Used appropriately, discretion can deal with such exceptions and enhance governance outcomes generally by enabling a subtler and more responsive use of rules.[759]

3. Judicial Overload

In cases where administrative authorities don't use their discretionary powers in the proper manner, the onus of redressal falls on the judiciary. People who suffer, having no option left, are compelled to approach the courts for relief. This practice not only results in a harbinger of unnecessary growth in litigation but also diverts precious judicial resources from other important cases. Indian courts have repeatedly emphasized that an effective and context-aware exercise of discretion would minimize such unnecessary legal controversies and avoid the clogging of the judicial system.[760]

4. Loss of Public Trust

A non-responding and inflexible administrative system necessarily undermines public trust in government. When officials decline to take into account extraordinary situations or fail to use the appropriate discretion, citizens view the system as unresponsive and unfair. Such a perception leads to increasing public discontent and can ultimately result in social unrest. Therefore, the effective use of administrative discretion is necessary to uphold public trust in institutions and to ensure that government is perceived as fair and equitable.

5. Impact on Fundamental Rights and Judicial Overload

The inability to utilize discretion directly affects the protection of fundamental rights. Courts have always noticed that when discretion is not used, judgments become more formulaic and less sensitive to unique situations. For instance, where authorities fail to modify routine procedures to accommodate specific facts - as considered in different Indian case law - the consequence is the denial of an equitable hearing or the unfair enforcement of law, eventually undermining constitutional protection. Besides, this shortcoming results in the overburdening of the judiciary, as aggrieved parties are forced to approach the courts for remedy for matters that might have been settled at the administrative level.[761]

6. Decline in Accountability

The failure to exercise discretion creates bureaucratic lethargy, as officials - usually hesitant to risk possible judicial review—are reluctant to go beyond the letter of the law and instead prefer to apply the strict, black-and-white thinking demanded by following predetermined procedures. Not only does this hinder the pace of the administrative process, but it also lessens the accountability of officials, who pass the buck by simply following pre-established procedures.[762] Consequently, the governance process is less transparent and efficient, and this contributes to an overall deterioration in administrative accountability and public trust erosion. As such, lack of exercise of administrative discretion has far-reaching negative consequences: the undermining of natural justice; court congestion with unnecessary litigations; economic inefficacies based on rigid policy; disproportionate hardships to disadvantaged groups; and a general weakening of administrative accountability. All these added

[758] R Sharma, 'The Constraints of Procedural Fairness in Indian Administrative Law' (2019) 34 *Journal of Indian Constitutional Studies* 150.
[759] *Id.*
[760] A Kumar, 'Balancing Power and Accountability: Administrative Discretion in Indian Governance' (2020) 27(2) *Asian Journal of Public Law* 211.
[761] Supreme Court of India, *'Judicial Oversight in Administrative Law'* (Supreme Court of India, 2022) https://www.sci.gov.in accessed 14 April 2025.
[762] *Id.*

effects erode the foundations of equitable governance and undermine public confidence in the administrative system, bringing home the very importance of proactive and rationale exercised discretionary decision-making.[763]

Judicial Responses to Non-Exercise of Discretion

Indian courts have had a significant role in dealing with cases where discretion of the administration has not been exercised. Through various judgments, courts have established precedents for ensuring that the administrative authorities do not abdicate their duties.

In T. S. R. Subramanian v. Union of India (2013),[764] the Supreme Court reiterated the imperative requirement of public functionaries to use their discretionary powers with diligence. The Court held that mere verbal directions or omission to give a reasoned explanation for the decisions cannot be a substitute for the judicious, case-specific exercise of discretion mandated by law. This epoch-making decision has laid down the principle that written, accountable orders are necessary for upholding transparency and ensuring that the exercise of discretion continues to be open to judicial review. The decision therefore mandates the rule that an administrative agency should positively consider each case, and not issue vague or unwritten instructions.

The State of Punjab v. Khan Chand (1974) case clarifies further the judiciary's stand regarding non-exercise of discretion.[765] Here, the Supreme Court noted that when an administrative body declines to exercise its discretion - by not examining the individual facts of a case it essentially relinquishes its responsibility, resulting in arbitrary results. The Court demanded that even when confronted with several options, decision-makers must consider each pertinent factor with caution. This decision unequivocally set that not exercising discretion is not a value-neutral omission but an actionable oversight which courts should intervene to enforce the rule of law.

Indian courts have reiterated time and again that non-use of administrative discretion is equivalent to abdication of duty. In the case of R.D. Shetty v. International Airport Authority of India,[766] the Supreme Court emphasized that public authorities have to actively participate in decision-making and cannot resort to a mechanical process of rule application. The Court's judgments leave little doubt that failure to use discretion leads to decision-making which is devoid of the necessary rationality and fairness.

Judicial review in India has played a key role in ensuring that not merely is administrative discretion conferred, but it is also exercised correctly. Courts have stepped in where authorities have remained inactive, compelling officials to deal with the unique factual matrix of every case. The doctrine arising from these interventions highlights that authorities cannot merely decline to make a choice; they are required to consider all matters that are pertinent in line with law in order to make decisions neither arbitrary nor unresponsive.[767]

A number of cases concerning welfare highlight judicial determination to active exercise of discretion. In instances where strict application of statute hindered people from receiving their due benefits, courts instructed administrative authorities to reconsider their actions. Such judicial reactions, as explained in the given sources, show that the judiciary is willing to intervene when the lack of discretion causes denial of justice and defeats the scheme of welfare measures.[768]

Courts have also required administrative authorities to take into account pertinent factual and legal considerations while making decisions. This was illustrated in instances where refusal to exercise discretion led to

[763] *Id.*
[764] *Id.*
[765] *State of Punjab v Khan Chand* 1974 AIR 543.
[766] *Supra Note* 7.
[767] D D Basu, *Introduction to the Constitution of India* (6th edn, Oxford University Press 2017) 312.
[768] *Id.*

decisions that were subsequently quashed for being out of harmony with both the letter and spirit of the law. The judicial requirement of a "mindful" exercise of discretion ensures that each decision is grounded on a considered and rational examination of the issues involved.[769]

In situations where officials have proceeded on dictations from outside rather than making use of their own judgment, judicial action has been strongly activist. Situations such as Purtabpore Co. Ltd. v. Cane Commissioner of Bihar demonstrate that if decisions are arrived at purely on the basis of dictation from outside, such decisions are declared to be null and void.[770] The courts have clearly indicated that dictation of discretion amounts to violation of the very intention with which discretion has been delegated.

The use of the Wednesbury test of reasonableness again illustrates judicial scrutiny in this field. In rulings such as SR Venkataraman v. Union of India,[771] the courts have used the test to evaluate whether the discretionary choice was reasonable, founded upon a close examination of the facts. Where a decision is arbitrary or manifestly irrational, the courts have not shied away from stepping in and rectifying the administrative fault, ensuring conformity with principles of equity and justice.

Finally, the aggregate judicial reactions in India have the function of balancing between administrative autonomy and accountability. By imposing strict standards for the use of discretion, the courts make administrative agencies carry out their duties in a way that is both equitable and efficient. This ongoing oversight by the judiciary serves as a check on the possible misuse or absence of discretionary power, supporting the rule of law and safeguarding the rights of the people under the regime of administrative government.

Recommendations and Conclusion

The study of the outcome that results from non-exercise of administrative discretion, along with the proactive intervention of the judiciary, evidently suggests that good governance in India relies on the balanced and wise use of discretionary power. It can be seen through multiple cases and academic debates that the exercise of administrative discretion, if done well, not only brings efficiency but also safeguards the rights of citizens. Accordingly, a systematic approach is necessary to ensure discretionary power is not abused or ignored and so strengthen accountability as well as the rule of law.

Admin authorities must undergo extensive training on the law on the principles as well as the extent of discretion. Literature emphasizes that government officials have to be informed with regard to the legal arena and the expectations on the courts like in the case of T. S. R. Subramanian v. Union of India[772] and State of Punjab v. Khan Chand[773] - to make good, case-appropriate judgments. By ongoing training programs and workshops, officials can more clearly see how to reconcile statutory requirements with situational demands, thus reducing the danger of arbitrary or mechanical decision-making.

A second suggestion is that legislatures think about passing more specific statutory standards that outline the degree of discretion vested in administrative authorities. The cases considered show that uncertainty in the law tends to result in either overreaching or total avoidance of discretion. By making the framework within which discretion has to be exercised clear, the legislature can ensure that decisions are in harmony with both the spirit and the letter of the law, minimizing chances of judicial intervention on grounds of non-exercise or abuse of discretion.

In addition, internal accountability controls should be reinforced within the administrative

[769] *Id.*
[770] *Supra Note* 8.
[771] *Supra Note* 10.
[772] *TSR Subramanian v Union of India* (2013) 7 SCC 1.
[773] *Supra Note* 21.

organizations. The agencies should introduce explicit procedures for decision-making, requiring documented justification and peer review of discretionary choices. These steps would discourage inaction as well as encourage openness and enable checks at the internal level prior to a case reaching judicial review. This strategy concurrs with the judicial priority on active and well-reasoned decision-making evident in a number of milestone judgments.

The judiciary's role in checking the exercise of discretion must remain strong, but not at the expense of intruding into administrative roles. Judicial review must remain an important means of rectifying situations where discretion is withheld unreasonably or applied wrongly. Courts must also take into account the practical limitations under which administrative authorities have to work. An equitable review process aimed at the procedural soundness of decision-making, as opposed to replacing administrative judgment with judicial dicta, is necessary to sustain the balance between administrative autonomy and accountability.

Public agencies should also be advised to establish internal grievance redressal mechanisms to deal with complaints about non-exercise or wrongful exercise of discretion. A proper internal review mechanism would allow for prompt rectification of decisions and decongest the judiciary. Through a formal channel of feedback and rectification, the services of agencies can be enhanced and natural justice principles adhered to, as upheld by judicial precedents.

In summary, the study's findings once again confirm that the inability to exercise administrative discretion can have extensive adverse effects on governance, legal certainty, and public confidence. The court has repeatedly reaffirmed the necessity for active, reasoned, and responsible use of discretion. By embracing the suggested steps—such as increased training, more specific statutory guidelines, internal accountability, and strong yet fair judicial review—India can guarantee that discretionary power is exercised optimally, protecting both administrative efficiency and personal rights.

In the end, it is of paramount importance to sustain the fine balance between judicial oversight and administrative independence. This is the basis for democratic administration by keeping administrative action flexible yet accountable. If policymakers and public officials adopt these recommendations, they can strengthen the structure that not only keeps abuse of or failure to use discretion at bay but ensures a responsive, fair, and equitable system of administration for every citizen as well.