

The Doctrine of *Pari Materia* in the Interpretation of Taxing Statutes: Harmonising Strict Construction with Statutory Coherence: *A Research Article*

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Abstract

Taxing statutes have a special role in the rules of interpretation. Courts require a charge to tax to be unambiguous, with nothing to be read into it or implied, and they reject any discussion of equity. Concurrently, there is no such thing as modern fiscal legislation as a single code. It is a complex network of charging Acts, tariff schedules, definitional borrowings, procedural codes, state and central laws and judicial glosses. The doctrine of *pari materia* (when laws on the same matter are read together as a harmonious whole) provides a means of understanding the web. However, fiscal law does not appear to fit well with it. This article explores the working of the doctrine in the context of taxing statutes and its application in the context of Indian law. It traces the doctrine's origin and rationale, specifies the interpretive framework of the doctrine for fiscal statutes and then proceeds to analyse its

applications in income tax, customs and excise tariffs, sales tax and GST and in the borrowing of the doctrine from non-tax statutes. It then outlines the boundaries of the doctrine, and the issues of its misuse. The article contends that *pari materia* cannot be interpreted as a means to impose liability, but rather to clarify ambiguities and find coherence. When kept properly it is in strict construction. It is also a protection against unconstitutional tax levy.

Keywords: *pari materia*; taxing statutes; strict interpretation; statutory coherence; harmonious construction; GST; customs tariff; income tax; Harmonised System of Nomenclature.

I. Introduction

A tax provision is not typically read in isolation. An assessing officer determining

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whether a receipt is “income” considers the charging section and the definitions, the exemptions, the deeming provisions, the rules and the circulars. When a customs officer is determining which tariff heading a product falls under, he/she would consult the Section and Chapter Notes, the Harmonised System of Nomenclature (HSN) and its Explanatory Notes, and the parallel excise tariff. The answer to the question of whether a transaction is a “sale” or a “supply” will depend on contract law, the Sale of Goods Act, constitutional entries and, now, the Goods and Services Tax enactments, a dealer will be told. Each time the interpreter is asked, either audibly or silently, to read one enactment in the light of another.

This exercise is in Latin “*in pari materia*” which translates to “upon the same matter or subject. The idea of the doctrine is that laws of similar or related subjects should be read together in order to be consistent and harmonious. One of the most ancient and easy-to-understand canons of construction. It is particularly relevant in taxation where legislation is very dense, repetitive, cross-referential and changes frequently.

However, in the fiscal sphere, the doctrine has even more of an opponent. The doctrine is that a taxing act must be read in a literal sense. Only if the case is within the plain language of the charging provision may the subject be taxed. Is it not the doctrine of *pari materia* which encourages the court to escape the confines of a single statute, and expand

the tax bar? On the other hand, does strict construction really sentence the revenue and taxpayer to an incomprehensible and unstable law if it means that no other statutes can be used in conjunction with the one under construction?

The following article attempts to address these questions. Part II provides an explanation of the conceptual underpinnings of the doctrine. Part III reviews the fundamental principles of interpreting statutes for tax purposes. In Part IV, you will see how these two relate to each other. The main applications are discussed in Part V. Part VI examines the boundaries of the doctrine, part VII provides a critical appraisal and a series of working propositions and part VIII concludes.

The analysis is largely confined to the Indian law because the Supreme Court has addressed these issues numerous times. It also applies to English authorities which influenced Indian approach.

II. The Doctrine of *Pari Materia*: Meaning, Origin and Rationale

A. Meaning and the classical statement

Statutes are considered to be *pari materia* if they are of the same person or thing or are of the same class of persons or things or are for the same purpose or object. The classical English statement dates from the eighteenth century when Lord Mansfield, in *R v Loxdale*

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(1758), said that, where there are different statutes in *pari materia*, one of them made in one place in one time and the other in another, or one that have expired and not referred to each other, they ought to be taken and construed as one system, and as explanatory of each other. Later writers on interpretation, such as the English writers Craies and Bennion and the Indian writer G.P. Singh, describe the rule as a “settled” part of the interpretive tool kit.

There are two related uses of the doctrine. The first is where there's ambiguity in a statute and a word or phrase in the same statute which could be ambiguous is actually clear, it can shed light on the legislature's meaning. The second is harmonisation of provisions, where two pieces of legislation seemingly clash the court should strive to interpret them in a way that makes them both possible to apply, and neither "nugatory".

B. What makes statutes *pari materia*?

The test is not a Title, date or legislature test. There are several general propositions that are accepted.

1. Not same words but same subject. But two pieces of legislation which contain the same language are not necessarily *pari materia*. The question is: "Do they have the same topic and the same purpose? A term, such as sale, firm, income and manufacture may be used in numerous statutes for various objects.

2. Not subject to the same legislature. While legislation of one legislature and particularly of amending and consolidating Acts is more at ease to be applied, courts have been more circumspect in applying legislation of other bodies on the same topic to serve as an aid.

3. Not limited to a certain time. A preceding statute can shed light on a succeeding statute and a succeeding statute can shed light on a preceding statute. One of the main reasons for reading an enactment with its predecessor is the legislative history of the enactment.

4. Does not require cross-reference. The statutes need not refer to each other. The connection is a subject connection.

5. On a par with the others. The greater the need for statutes to be read together the more similar the purpose.

C. Rationale

The argument is based on certain assumptions concerning legislative behavior.

First, the legislature is presumed to be aware of what the current statute is. When it legislates on a subject it bases itself on what is already in the statute-book and is presumed to have no intention of creating an inconsistency if it should do so.

Secondly, the legislature is presumed to be consistent in the meaning of its words. This is not always accurate, but this is where interpretation begins if the statute book is

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seen as a unified, not just a disparate collection of texts.

Thirdly, harmony is for the rule of law. A legal system that is not more predictable and fair if the meanings of identical expressions shift from one statute to another, for no reason, is less predictable and less fair.

Fourth, it's an economy of interpretation. The court need not re-invent the wheel in explaining the meaning of a term, if it is already explained in a related statute.

D. Status of the doctrine

The doctrine is a presumption, it is a guide, it is not a law that has to be followed to get a result. It gives way if there is a clear contrary indication in the text, context, legislative history or purpose of the subsequent legislation. Usually called in when there is some confusion or uncertainty and not for rewriting a clear provision. In tax law, that is of great importance, as Part IV will show.

III. The Interpretive Framework for Taxing Statutes

A. The rule of strict construction

The two classic statements that stand out are: In *Partington v Attorney-General* (1869), Lord Cairns stated that if the person sought to be taxed falls within the letter of the law he must be taxed, however much the hardship may seem to be to the judicial mind; and, if

the person does not fall within the letter of the law, he cannot be taxed, however much the hardship may seem to be to the judicial mind, the case might otherwise appear. In *Cape Brandy Syndicate v IRC* (1921) it was held that in a taxing statute one should look only at the words actually used, that there is no room for any intendment, no equity about a tax and no presumption as to a tax; nothing is to be read in and nothing is to be presumed.

This was followed by Indian courts in many of its judgments. The Supreme Court has stated that the principle of equity does not play a part in the interpretation of a taxing statute and it can not fill up an omission or extend the language to include a case it was not intended to cover (see for instance the remarks in *CST v Modi Sugar Mills Ltd*, AIR 1961 SC 1047, and *Mathuram Agrawal v State of Madhya Pradesh*, (1999) 8 SCC 667).

B. The ambiguity rule favouring the assessee

A corollary of this is where two interpretations are reasonably possible, the one more beneficial to the assessee will be taken. In *CIT v Vegetable Products Ltd* (1973) 88 ITR 192 (SC) the Supreme Court has held so. This is different from the rule of strict construction, but it works later in the reasoning – it's only used after the ordinary methods of interpretation, such as contextual reading, have not managed to clarify the meaning.

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C. Distinguishing charging, machinery and exemption provisions

The requirements that fiscal provisions have to meet in Indian courts vary. The following is the traditional taxonomy.

- Charging is interpreted strictly. The levy, the event or transaction taxable and who is the taxpayer, and the rate should be clear.
- Machinery and procedural provisions are interpreted as to enable the charge to be workable. Where a charging provision is clear but the machinery is faulty, the court will attempt to make the machinery work – not thwart the levy.
- Treatment of exemptions and exceptions not consistent over time. In *Commissioner of Customs v Dilip Kumar & Co* (2018) 9 SCC 1, a Constitution Bench has ruled that exemption notifications must be read strictly with any ambiguity construed in favour of the revenue and has gone against the earlier decision in *Sun Export Corporation v Collector of Customs* (1997). It is a burden of the claimant to establish eligibility.
- Penal and anti-avoidance provisions are subject to the strict construction used for penal provisions, with the courts also applying it to some aspects.

D. Form versus substance

There have been major shifts in the mode of avoidance. The older perspective, which was brought about by *IRC v Duke of Westminster* (1936), was that a taxpayer could structure his affairs in a way that would minimize tax. Later on, the Supreme Court in *Vodafone International Holding BV v Union of India* (2012) 6 SCC 613 brought a new twist to the same and preferred a holistic approach to the transaction, and the later anti-avoidance provisions in the statute gave further a new meaning to it. Both of these developments change the use of the term *pari materia* since they influence the interpretation of a fiscal text in light of the commercial and legal context of a transaction.

E. The textual and contextual approach

A literalism of construction is not a strict constructionism. Literal interpretation, in modern law, is the initial interpretation and not an anathema to context. The meaning of a taxing provision is constructed within the context of the other provisions of the Act, its definitions, its scheme, its legislative history and related legislation. Nothing may be read in does not mean that a provision may only be read separately from the statute of which it is a part. This is a contextual reading through which *pari materia* enters.

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IV. Where the Doctrine and Strict Construction Meet

A. The apparent conflict

The conflict may seem to be between strict construction and coherence between statutes (*pari materia*), but it is not. When a court adopts a definition from another Act and then uses it to expand the charge, there is a violation of strict construction. If it refuses to consider another Act and gives a term an idiosyncratic meaning, coherence is lost.

B. Reconciliation: two different questions

Once the two principles are perceived as being answering different questions the conflict is reduced.

- Strict construction answers: What is the extent to which the court can go beyond the words of the charge? No, not at all!
- What are the meaning and implications of the words in their statutory context? The solution can be a use of the same words in supporting enactments.

The doctrine does not add words to the taxing provision. It aids to understand the meaning of words which are present. If the meaning of a term in a fiscal statute is obvious, then the doctrine has no relevance. If it is unclear, it

assists in clarifying it in the context of a similar statute. This rule of remaining doubt is settled for an assessee is then the final rule.

C. A sequence of reasoning

The following is the practical part of a tax dispute.

1. Locate the charging provision and give it its natural or ordinary (defined) meaning.
2. Discuss definitions, scheme, exemptions, and machinery in the provision in the Act.
3. Where the term remains ambiguous, consider if another statute in *pari materia* provides guidance and the proximity in subject and purpose.
4. Determine if the borrowed meaning is displaced by anything in the context, purpose or structure of the statute being taxed.

If the doubt persists after the aforesaid, then a reasonable construction in favour of the assessee would be adopted while imposing the provision, and vice versa, the same principle would be followed in case of exemptions as in Dilip Kumar.

Thus, *pari materia* can be looked at as an element of construction, before the residual presumptions. Does not constitute an independent source of liability.

Seen in this way, *pari materia* is part of the process of construction, preceding the

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residual presumptions. It is not an independent source of liability.

D. The direction of the inference

Another distinction is the direction of the doctrine. Taking a meaning that is a narrowing or clarification of the charge is less controversial. It is controversial and usually uncalled for to borrow a meaning that is not otherwise apparent. Courts tend to be more circumspect when interpreting a taxing clause in the context of an ancillary statute which would create a novel tax obligation.

V. Fields of Application

A. Successive income-tax enactments and allied direct-tax laws

The Income-tax Act, 1961 replaced the Income-tax Act, 1922. Numerous provisions were repeated in the same or similar language and the case law under the previous Act will continue to inform interpretation under the new Act. Judicial rulings made under the 1922 Act are generally considered to be applicable to provisions of the 1961 Act where there is a comparable wording or scheme of the Act, unless there is any difference in the wording or scheme. The earlier is part of the context of the later – it is an application of the temporal form of *pari materia*.

This was also true of allied direct tax laws like the Wealth-tax Act, 1957 (repealed) and

the Gift-tax Act, 1958 (also repealed), which had ideas common with the Income-tax Act. When interpreting the other, decisions made with respect to the meaning of terms in one were often referred to. The more closely the common purpose is related, e.g., to the assessment of a person's taxable capacity, the greater the justification.

But the boundaries of the doctrine are quickly revealed here. An Explanation, a deeming provision or a definition with a limited effect to a chapter can change the meaning of a concept as defined in a section of Income-tax Act. The previous precedent is only relevant to the degree that the interpretation of the statute in the earlier case (and its context) is exactly the same as in the new case. Courts have thus been mindful of whether a change of language is a change of intent.

B. Tariff statutes: the Customs Tariff, the Central Excise Tariff and the HSN

The doctrine is best illustrated in modern fiscal law in the context of classification disputes. The Customs Tariff Act, 1975 and Central Excise Tariff Act, 1985 have been enacted based on the Harmonised Commodity Description and Coding System. The Explanatory Notes to the HSN are regarded as a good guide to the meaning of the tariff headings in Indian law which in turn are structured along the lines of the HSN.

In the case of *Collector of Central Excise v Wood Craft Products Ltd* (1995) 3 SCC 454,

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the Supreme Court stated that in the absence of any word of opposition in the tariff itself, the HSN Explanatory Notes could be used as a guide to interpretation, because the Indian tariff had been based on an international nomenclature. Earlier decisions of the Court have adopted this approach, but emphasize that the Explanatory Notes are only an aid and do not supersede the words of the Indian tariff or the Section and Chapter Notes as explained by the legislature (see, for instance, *Commissioner of Central Excise v Wockhardt Life Sciences Ltd* (2012) 5 SCC 636).

This is an extended sense of *pari materia*, that is, the HSN is not an Act of the Indian Parliament, but is its common source of tariff structures. In this context the doctrine aims for uniformity of international trade and provides certainty for the importer and exporter. It also brings out the limiting principle, that is, where the legislature has meant to deviate from the model, it does.

Another application is the interplay between the customs and excise tariffs. Both are harmonised, so a decision on one has persuasive effect on the other, but it is important to note that the entries and notes have to be compared. Often, courts have emphasized the common-parlance or trade-understanding test, which is a variation of the ordinary meaning test, and is not a pure version of *pari materia*, but it is also applied to words whose meaning is unclear.

C. Sales tax, VAT and the Sale of Goods Act

Prior to GST, the state sale tax and VAT regulations were concurrent with the Sale of Goods Act, 1930 and the constitutional provisions on tax on sale or purchase of goods. In *State of Madras v Gannon Dunkerley & Co* (1958), the Supreme Court interpreted the word "sale of goods" in the entry in the legislative document to have the same meaning as it has in the general law of sale, as defined in the Sale of Goods Act. The statutes of state sales tax were then interpreted in light of this background. The meaning of words like "goods," "delivery," "property in goods" and "agreement to sell" was determined by the general law, unless the taxing statute directed otherwise.

This was followed in subsequent cases. In *Bharat Sanchar Nigam Ltd v Union of India* (2006) 3 SCC 1, the Court has discussed the meaning of "goods" and "sale" in the context of telecom services and has established that the essential elements of sale as per general law must be present for it to be liable to sales tax. In *Tata Consultancy Services v State of Andhra Pradesh* (2005) 1 SCC 308, the Court had taken a view that branded software on a medium can be considered as "goods" based on the common knowledge of the term and the property being transferred.

These cases illustrate another form of a doctrine that provides that a non-tax statute of general application provides a definition of

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a taxing concept. It is justifiable with respect to the fact that when the legislature taxes "sales," it is assumed that it is following the legal meaning which has evolved under private law. It is also a significant limitation on revenue, as the State cannot claim that a sale is a sale if it does not have the attributes of a sale in law. The doctrine thus ran, here, in favour of precision and, at times, even in favour of the assessee.

D. The GST enactments: a codified *pari materia*

One such innovative and explicit example is the Goods and Services Tax regime. The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 and the State Goods and Services Tax Acts of each State have been drafted as a family of Acts on one subject, with deliberately parallel text. Several provisions in the SGST Acts are similar to the CGST Act. The IGST Act has adopted the definitions and procedures of the CGST Act and also has prescribed that the provisions of the CGST Act shall apply to the levy and collection of integrated tax, wherever possible.

This structure is second to none in favour of *pari materia*. There are three standout features.

1. Identity of design. The legislatures wanted the Acts to be a single and seamless tax on supply – with uniform definitions of “supply”, “taxable person”, “input tax credit” and “place of supply” across the country. An interpretation of a CGST provision which would not follow the same construction as would the identical SGST provision would not serve the purpose of the design.

2. Cooperative federalism. The Constitution (One Hundred and First Amendment) Act, 2016 established a joint competency over tax on goods and services and a Goods and Services Tax Council for bringing uniformity in the act. In *Union of India v Mohit Minerals Pvt Ltd* (2022) 10 SCC 700, the Supreme Court touched upon the concept of federal structure of GST and held that the recommendations made by the GST Council are not binding in the literal sense of the word, but instead are based on cooperation. The resolution has declared harmony in GST as a constitutional value, but not an absolute value.

3. Uniformity in litigation. The decision of one High Court on a particular provision of the CGST Act is taken as a persuasive precedent in other courts and the same provision in the State Act is generally interpreted in the same manner. That there be a single meaning across forums is strong, as divergent meaning of the words creates a common market which GST aims to do.

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The doctrine's threshold also is demonstrated in the GST regime. If there are differences between the statutes, it is assumed that this was intentional. It is not the court's function to eliminate the departure from the central model in the interests of harmony where the provision differs from state to state, including with respect to the effect of certain registration or the interaction with the state level provisions. A reading that gives equal treatment to the same provision and different treatment to different provisions is a respecting of both the doctrine and strict construction.

E. Borrowing from non-tax statutes

The meaning of the terms in fiscal statutes are often provided by other statutes, including the statutes of partnership, contract, property, succession, company law and personal law. They include the concepts of "firm" and "partner," "Hindu undivided family," "transfer," "lease," "company," "trust" and "agreement. The standard rule is that if a term of art is not defined in a taxing statute it is interpreted in the light of the meaning which it bears in the branch of law in which it originated, if the context of the statute indicates otherwise.

The argument is similar to that in the sales tax cases: If a legislature adopts a term of art, it is presumed to adopt the meaning of that term as it was understood at the time of its adoption. However, the taxing provision can be restricted in its scope of application, in

which case the special definition is prioritized as long as it is within the scope of the Act. For example, income tax law has both inclusive and deeming definitions which are intentionally divergent from the general law. If that were the case it would be the court's interpretation of the general law that prevailed, thus ignoring the legislature's intent.

F. Charging provisions and machinery provisions

One of the specific applications relates to the interaction between a charging provision and the machinery provisions which implement it. These are interpreted as one scheme by the courts. If the machinery is silent or defective in some way or other, then the court shall be guided by similar provisions of the same or similar Act to determine the mode of computation or enforcement of the charge. The use of *pari materia* helps to make the levy workable and does not increase it. It may not be confused with the creation of the charge by the use of a related provision.

VI. Limits and Cautions

The power of the doctrine is related to the ability to keep its boundaries in mind. There are some which are particularly significant in the fiscal law.

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A. Same words, different purposes

Don't assume that an expression means the same thing in two different Acts just because it's the same expression. The objects of different statutes are different. A general definition of a class of persons in a social-welfare provision can be construed as narrower in a fiscal provision than in the former to restrict a charge. The doctrine stipulates that the purpose and the subject must be the same and that there must be some kind of similarity of the words. Courts have repeatedly warned that the meaning of one statute should not be imported into another without careful consideration of the contexts.

B. The effect of definition clauses and the context

In most modern Acts, it is customary to have a definition clause that starts with the words "unless the context otherwise requires. Even statutory definitions bow to context in that formula. A fortiori a meaning gleaned from another Act must give way to the words of the taxing Act. The first place to look for the meaning of a term in a fiscal statute is that fiscal statute.

C. Ambiguity as the gateway

The doctrine is a manner of clearing up uncertainty. It is not allowed for use when creating a doubt in a plain text. If the statute is unambiguous, the court interprets it regardless of whether or not it contradicts a

similar statute. In tax law, this means that the subject should have a clear idea of what is required under the law.

D. Not a source of charge

The most significant restriction in the fiscal arena is that the doctrine itself cannot create a liability which is not expressly created by the charging provision. Cross-referencing with a companion statute to explain or narrow is okay. The inclusion of any element of the charge, such as the taxable event, the person liable or the measure of the tax, would be an infringement of the requirement that the tax be levied by clear words and would also be a constitutional principle (Article 265 of the Constitution of India provides that no tax shall be levied or collected except by authority of law).

E. Different legislatures and international sources

If the corresponding enacting legislature is different, or if it is international in nature like the HSN, the persuasive value is less and the court has to consider whether the Indian legislature has included or deviated from the enacting instrument. This is therefore a conditional result in *Wood Craft* and later cases, the material in the Explanatory Notes to the Indian text being explanatory only where it is consistent with the text of the Indian bill and where Parliament has not opted for a different course.

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F. Subordinate legislation, circulars and administrative practice

Subordinate legislation and circulars are not in the strict sense statutes in *pari materia*, but may at times be helpful in interpreting the scheme of a statute. Circulars are issued by the department and are binding on it only and do not overcome a statute or bind the courts. The use of a circular as an aid to the reading of the related provisions, therefore, must be considered from an administrative point of view, rather than as a proper application of the doctrine.

G. Later and amending statutes

Where later legislation is in conflict with earlier legislation on the same subject, the later legislation may provide further elucidation of what the legislature intended to mean with the former legislation, but the later legislation can also be evidence that the legislature changed the law. Courts have to be careful when using a retrospective amendment as a reference to the earlier text and fiscal legislation that do the same has its own constitutional restrictions. A Declaratory or Clarificatory amendment is not considered to be a substantive amendment.

VII. Critical Assessment

A. Strengths of the doctrine in fiscal law

Coherence and predictability. Taxation is based on predictability. Companies make investments, draft contracts and set prices based on the assumption that meaning of the legal terms remains consistent. The doctrine upholds this assumption and minimizes arbitrary differences between related acts.

Protection of the taxpayer. The doctrine can benefit taxpayers and the revenue. In the sales tax cases, the court has determined that a taxing statute which employs the language of private law must not be oblivious to the private law terms it employs. The information nomenclature can be used to limit as well as expand a classification in tariff cases.

Institutional economy. The reliance on settled meanings in related legislation saves courts and officers from re-litigating fundamental concepts and eases the way to the resolution of conflicts.

B. Weaknesses and risks

Selective use. There is a danger that a court or an authority will choose the statute which will give the desired result, since the doctrine calls for a choice among alternatives. If not kept in check by intelligently applied criteria,

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the doctrine can be used to simplify reasoning for results.

Slow and silent growth of the charge. In case this borrowed definition is wider than the definition that would otherwise be given to the same word in the statute itself, the result is that the taxing statute is extended more than intended. The courts and tax tribunals must be vigilant against this risk.

False uniformity. When statutes are treated as *pari materia* with different purposes, distinctions will be lost. When harmony is required at all costs, it can be difficult to see the impact of intentional legislative decisions, like an exclusion or a special definition.

Difficulty and uncertainty in execution. The doctrine's effect is interesting — it can actually make things less certain when it's not clear how to apply the doctrine. If a taxpayer can't determine in advance what a court will consider the enactment to be, the risk is there. The more widespread the application of the doctrine, the more uncertainty. The more the doctrine is applied to international instruments, administrative circulars, etc., the more uncertainty.

C. The relationship with the ambiguity rule and the *Dilip Kumar* approach

The difference between doubt as to a charging provision is decided in favor of the assessee and doubt as to an exemption is

decided in favor of the revenue is pertinent here. Any ambiguity in any charging provision will be resolved in favor of the assessee when *pari materia* is used to explain such charging provision. Assuming it's for the purposes of interpretation of an exemption or concession, as per *Dilip Kumar*, it looks like the claimant needs to show the eligibility within the scope of the exemption. The doctrine does not affect these allocations. It works ahead of them, but the results must be verified against them.

D. Working propositions

The foregoing teaches the following working principles for the proper use of *pari materia* in tax laws:

1. Proposition of necessity. A resort to related statute is warranted only where the literal meaning of the taxing provision, considered in the context of that provision, raises a “genuine ambiguity.”
2. Proposition of identity. The statute must be of the same subject and have a substantially similar purpose and the connection must be shown, not taken for granted.
3. Offering an interpretation of the text. A special definition or Explanation or a contrary sense in the taxing statute will take precedence over a borrowed meaning.
4. Proposition of non-creation. The doctrine can be used to clarify, limit and/or

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put into practice a charge. It is not to be used to impose liability in any way other than that which is clearly intended.

5. Proposing a proportional weight. The closer the relationship, the more persuasive a related source will be; an Act relating to a different subject in the same legislative period will be less persuasive than an Act relating to the same subject in the same legislative period, and an international model adopted by the legislature will be more persuasive than one that the legislature has abandoned.

6. Subsequent doubt. Residual doubt. Once the doctrine has been applied then the rules on resolving ambiguity, whether in the charging or exemption provisions, come into play if there is doubt.

7. Proposition of reasoned choice. Judges and authorities who use an analogous statute must discover it, and describe the reasons for its "*pari materia*" status and how the borrowed meaning fits into the taxing context.

These propositions are no excuses for not exercising judgment. They do however structure it and make it reviewable.

E. Implications for legislative drafting

There is also a burden on the drafters with respect to the doctrine. When a legislature wishes to have one term in a taxing Act have a different meaning from that in a related Act,

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it is safest to express this in a definition or Explanation. A cross reference is better than an assumption when its intent is the same. The GST statutes in this regard are even a model as they explicitly prescribe how terms listed in the IGST Act are to be interpreted with reference to the CGST Act. Clear and explicit drafting of the companion enactments minimizes the need for litigation and the doctrine.

VIII. Conclusion

There is no real opposition between the doctrine of *pari materia* and the rule of strict construction of taxing statutes. They address different queries. There is a strict construction rule when the court does not go beyond the words of the charge. *Pari materia* helps the court to understand the meaning of the words by looking at them in the context of the legal system to which they belong. The doctrine can be used to resolve ambiguities, to bring together related provisions and to implement a coherent legislative scheme and is fully compatible with strict construction. It is always forbidden to import meanings into a statute which are not found in it; it is always forbidden to read into it what the legislature has not said. This doctrine has been demonstrated in several contexts in the Indian experience: (i) continuity of the Income-tax Act, 1922 with the Income-tax Act, 1961, (ii) reference to the HSN in the tariff classification provisions, (iii) application of the Sale of Goods Act in sales tax, and (iv) the deliberate parallelism of the

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architecture of the GST statutes. In both, the value of the doctrine has hinged on professional execution. The best decisions recognize the companion statute, discuss the connection through subject and purpose, pay attention to the competing text and context, and choose the right rule of fiscal construction to solve the confusion. With the increasing amount and complexity of fiscal legislation, the need for coherence will only grow. The role of the courts is to prevent coherence being lost, and to prevent unauthorised taxation. When used sparingly, the doctrine provides taxpayers and the revenue with a more coherent and uniform set of rules and helps build the rule of law in taxation.

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