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Tribunals Reforms Bill 2026 Seeks National Tribunals Commission to Strengthen Judicial Independence and Institutional Efficiency

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Recent Developments:

- The **Tribunals Reforms Bill, 2026** was introduced and passed by the **Lok Sabha on 10 August 2026**. It seeks to repeal the **Tribunals Reforms Act, 2021** and create a **National Tribunals Commission (NTC)** for the institutional administration of tribunals.
- The Bill responds to a long-running constitutional dispute over **executive control, tribunal appointments, tenure and service conditions**, particularly after the Supreme Court repeatedly emphasised **judicial independence and separation of powers** in its tribunal jurisprudence.
- The development follows the Supreme Court's **Madras Bar Association v. Union of India judgment of 19 November 2025**, which struck down provisions of the 2021 framework that substantially reproduced provisions previously invalidated by the Court.
- The proposed **NTC** is intended to centralise selection, performance review, complaints oversight and tribunal-related data management, potentially reducing dependence on individual administrative ministries.

Tribunals in India — Constitutional and Institutional Framework:

Meaning and Purpose of Tribunals:

- A **tribunal** is a specialised adjudicatory body established by legislation to decide disputes requiring **technical expertise, specialised knowledge and relatively expeditious adjudication**.
- Tribunals were developed to supplement the ordinary judicial system by reducing the workload of constitutional courts and providing specialised forums for areas such as **taxation, service matters, company law, environment and financial regulation**.

Constitutional Basis:

- **Part XIV-A** of the Constitution deals with tribunals and was inserted through the **42nd Constitutional Amendment Act, 1976**, following recommendations of the **Swaran Singh Committee**.
- **Article 323A** empowers Parliament to establish **Administrative Tribunals** for disputes concerning recruitment and conditions of service of public servants.
- **Article 323B** enables the appropriate legislature to establish tribunals for specified matters such as **taxation, foreign exchange, industrial and labour disputes, land reforms and related subjects**.
- The constitutional scheme does not make tribunals equivalent to the **High Courts or Supreme Court**; tribunals remain statutory adjudicatory institutions subject to constitutional judicial review.

Historical Evolution:

- The **Income Tax Appellate Tribunal (ITAT)**, established in 1941, is generally regarded as India's first tribunal.

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- The **Administrative Tribunals Act, 1985** was enacted pursuant to Article 323A and led to the establishment of bodies such as the **Central Administrative Tribunal (CAT)**.
- From the 1980s onward, India developed several specialised tribunals and appellate bodies covering taxation, company law, securities, debt recovery, environment and other sectors.
- The **Finance Act, 2017** rationalised the tribunal structure by merging or abolishing several bodies with overlapping jurisdictions, while also introducing a common framework for appointments and service conditions.
- The Supreme Court subsequently scrutinised several aspects of this framework, particularly the **composition of selection committees, tenure, qualifications and executive control**.

Key Provisions of the Tribunals Reforms Bill, 2026:

Repeal of the 2021 Act:

- The Bill seeks to **repeal the Tribunals Reforms Act, 2021** and establish a new framework for tribunal appointments and service conditions in light of the Supreme Court's constitutional directions.
- The objective is to create a more coherent institutional framework while addressing concerns relating to **judicial independence, administrative efficiency and accountability**.

National Tribunals Commission:

- The Bill proposes a **National Tribunals Commission (NTC)** as a central institutional mechanism for administering the tribunal system.
- Its principal functions include **conducting selection processes, reviewing tribunal performance, overseeing complaints against tribunal members and maintaining a National Tribunals Data Grid**.

Composition of the NTC:

- The NTC will comprise a **Chairperson, two Judicial Members and two Technical Members**.
- The Chairperson must have been a **Supreme Court Judge or Chief Justice of a High Court**, while Judicial Members must have been **Chief Justices or Judges of High Courts**.
- Technical Members must possess at least **25 years of relevant experience** in fields including public administration, finance, law, accountancy, banking, management or technology.
- Members will hold office for **five years or until the prescribed age limit, whichever is earlier**; the Bill provides a maximum age of **70 years for the Chairperson and 67 years for other members**.

Appointment to the NTC:

- Appointments to the NTC will be made by the **Central Government**, while the **Chief Justice of India must be consulted** for appointments of the Chairperson and Judicial Members.
- The Commission will have a Secretariat headed by a **Central Government Secretary**, which retains an element of executive involvement in the Commission's administration.

Selection of Tribunal Members:

- The NTC will constitute **Search-cum-Selection Committees** for filling vacancies in tribunals.
- For every vacancy, the Committee will recommend **one name for appointment and one additional name for the waiting list**, while the Central Government must make the appointment within **three months** of receiving the recommendation.
- The proposed framework therefore differs from the 2021 arrangement that required a **panel of two names for each vacancy**, a provision subsequently held unconstitutional by the Supreme Court.

Tenure and Reappointment:

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- Tribunal Chairpersons and Members will generally have a **five-year tenure**, subject to the prescribed upper age limit.
- Reappointment may be considered on the basis of **previous performance**, while reappointment of a member also requires consultation with the Chairperson of the concerned tribunal.

Removal and Service Conditions:

- Removal may be permitted on grounds including **insolvency, conviction involving moral turpitude, physical or mental incapacity, abuse of position and prejudicial financial or other interests.**
- Tribunal Chairpersons and Members may additionally face removal for **incompetence, inefficiency or undertaking paid assignments.**
- The Central Government will prescribe rules relating to **qualifications, selection, salaries, allowances, resignation, removal and other service conditions.**

Supreme Court Jurisprudence on Tribunal Independence:

S.P. Sampath Kumar v. Union of India:

- In **S.P. Sampath Kumar v. Union of India**, the Supreme Court accepted the concept of tribunals as alternative institutional mechanisms but emphasised that they must possess sufficient **effectiveness, competence and judicial character.**
- The judgment highlighted the importance of appropriate judicial representation and adequate tenure for maintaining the credibility and effectiveness of tribunals.

L. Chandra Kumar v. Union of India:

- In **L. Chandra Kumar v. Union of India (1997)**, the Supreme Court held that tribunals cannot completely replace the constitutional role of the **High Courts and Supreme Court.**
- Decisions of tribunals remain subject to scrutiny by High Courts under **Articles 226 and 227**, thereby preserving constitutional **judicial review.**
- The judgment established that judicial review by constitutional courts forms part of the **basic structure of the Constitution.**

Union of India v. R. Gandhi:

- In **Union of India v. R. Gandhi**, concerning the National Company Law Tribunal, the Supreme Court scrutinised provisions relating to the **composition, qualifications and appointment of tribunal members.**
- The Court emphasised that tribunals exercising judicial functions must possess institutional safeguards comparable to the requirements of an independent adjudicatory mechanism.

Rojer Mathew v. South Indian Bank:

- In **Rojer Mathew v. South Indian Bank Ltd. (2019)**, the Supreme Court examined the tribunal framework introduced through the **Finance Act, 2017** and invalidated the associated 2017 Rules on grounds including defects in the selection mechanism and tenure framework.
- The Court directed the formulation of rules consistent with principles of **judicial independence, non-discrimination, uniform service conditions and assured tenure.**

Madras Bar Association Jurisprudence:

- The **Madras Bar Association** litigation represents a continuing constitutional dialogue on the independence and administration of tribunals, with successive judgments addressing **appointments, tenure, qualifications, reappointment and executive control.**

- The Supreme Court's **19 November 2025 judgment** found that the 2021 framework reproduced provisions that had already been judicially invalidated, including the **50-year minimum age, four-year tenure and two-name recommendation mechanism**.
- The Court held that Parliament may cure the constitutional defect identified by judicial review, but it cannot simply **re-enact the same unconstitutional provision without removing the underlying defect**.
- The Court consequently treated such repetition as an **impermissible legislative override** and struck down the impugned provisions for violating **separation of powers and judicial independence**.

Provisions of the 2021 Framework Struck Down by the Supreme Court:

Minimum Age Requirement:

- The **50-year minimum age requirement** was found problematic because it excluded otherwise qualified younger advocates and professionals and conflicted with the objective of attracting competent candidates to tribunals.

Four-Year Tenure:

- The **four-year tenure** was found inconsistent with the requirement of institutional stability and judicial independence, particularly because short tenures can increase dependence on the executive for reappointment.
- The Court's jurisprudence has emphasised the importance of **adequate tenure and continuity** for attracting competent candidates and preserving adjudicatory independence.

Two Names per Vacancy:

- The requirement that the Search-cum-Selection Committee recommend a **panel of two names** increased executive discretion in choosing the final appointee.
- The Supreme Court had previously directed a **single-name recommendation mechanism**, making the two-name arrangement constitutionally problematic.

Re-enactment of Invalidated Provisions:

- The Court clarified that Parliament can legislate again after a judicial decision if it **removes or cures the constitutional defect**, but merely reproducing the invalidated provision under a new statutory form is impermissible.
- This principle reflects the distinction between **legislative overruling by curing defects**, which can be constitutionally permissible, and **legislative override of judicial decisions**, which is impermissible.

Major Challenges Facing Tribunals in India:

Executive Dominance:

- Excessive executive control over **appointments, tenure, salaries, service conditions and removal** can compromise tribunal independence because the government is itself a major litigant before many tribunals.
- Concentration of administrative authority within parent ministries can create a structural **conflict of interest** between administrative control and adjudicatory independence.

Vacancies and Pendency:

- Persistent vacancies among **Chairpersons, Judicial Members and Technical Members** reduce tribunal capacity and contribute to case accumulation.
- Delayed appointments can undermine the central objective of tribunals, namely **speedy and specialised justice**.

Short Tenures and Reappointment:

- Short tenures may discourage experienced professionals from joining tribunals and can reduce institutional memory.
- Reappointment controlled substantially by the executive may create a perception of **institutional dependence**, particularly where members are required to decide cases involving the government.

Administrative and Financial Dependence:

- Dependence on parent ministries for **budgetary resources, infrastructure, staffing and administrative support** can weaken functional autonomy.
- An independent institutional mechanism for tribunal administration can therefore strengthen both **accountability and independence**.

Multiple Layers of Litigation:

- Tribunal decisions remain subject to **constitutional judicial review by High Courts**, which is essential for preserving constitutional supremacy but can also create additional stages of litigation.
- The challenge is therefore to maintain judicial review while ensuring that tribunals themselves deliver **high-quality first-instance adjudication**.

Infrastructure and Digital Deficiencies:

- Inadequate **courtrooms, digital infrastructure, registry support, research facilities and administrative staff** can reduce disposal efficiency.
- A unified **National Tribunals Data Grid**, as proposed under the Bill, could improve monitoring of vacancies, pendency, disposal rates and institutional performance.

Significance of the National Tribunals Commission:

Institutional Independence:

- A dedicated **NTC** can reduce the fragmentation caused by different ministries administering different tribunals and can provide a more uniform institutional framework.
- The proposal is particularly significant because the Supreme Court has repeatedly linked **administrative independence** with the credibility of adjudicatory institutions.

Professionalised Administration:

- A specialised commission can develop common standards for **appointments, performance monitoring, infrastructure, human resources and data management**.

Transparency and Accountability:

- A **National Tribunals Data Grid** can enable evidence-based assessment of tribunal performance through indicators such as **vacancies, pendency, disposal rates and case duration**.

Reduction of Executive Discretion:

- A structured selection process with greater institutional involvement can reduce arbitrary executive discretion in tribunal appointments.

- However, the continued role of the **Central Government in appointments and administration** means that the effectiveness of the NTC will ultimately depend on the degree of functional autonomy provided to it.

Critical Concerns with the Proposed Framework:

Continuing Executive Role:

- Although the Bill creates an NTC, appointments to the Commission remain with the **Central Government**, while its Secretariat is headed by a Central Government Secretary.
- This may limit the extent to which the NTC can function as a genuinely **independent administrative authority**.

Rule-Making Power of the Executive:

- Important matters such as **qualifications, salaries, allowances and other service conditions** are proposed to be prescribed through Central Government Rules.
- Excessive delegation in matters affecting adjudicatory independence can recreate the very concerns that generated repeated constitutional litigation.

Reappointment and Independence:

- Reappointment based partly on performance can improve accountability, but it must be designed carefully so that members do not perceive favourable adjudication as relevant to their continuation in office.

Financial Autonomy:

- Institutional independence requires more than an independent appointment mechanism; it also requires adequate **financial, administrative and infrastructural autonomy**.
- Without predictable and independent resource allocation, tribunals may continue to depend indirectly on executive departments.

Reforms Required for Independent and Efficient Tribunals:

Establish Genuine Institutional Autonomy:

- The NTC **should have functional, administrative and financial autonomy**, with transparent budgetary allocations and safeguards against control by ministries that frequently appear before tribunals.

Strengthen Judicial Participation:

- Judicial participation in appointments should remain substantial enough to protect **adjudicatory independence**, while technical expertise should be retained for specialised regulatory disputes.

Ensure Secure and Adequate Tenure:

- Tribunal members should receive a tenure long enough to develop **institutional expertise, independence and continuity**, while reappointment should not become an instrument of executive influence.

Introduce Judicial Impact Assessment:

- **Judicial Impact Assessment** should precede the creation, expansion or restructuring of tribunals to estimate the required number of members, infrastructure, finances and support staff.

Improve Tribunal Data Governance:

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- The **National Tribunals Data Grid** should provide standardised and publicly accessible information on **vacancies, pendency, disposal rates, case age and adjournments**, subject to appropriate privacy safeguards.

Strengthen Capacity Building:

- Judicial members can receive domain-specific training, while technical members can receive training in **judicial procedure, constitutional principles, evidence and natural justice**.

Rationalise the Appellate Structure:

- Tribunal jurisdictions should be designed to minimise unnecessary layers of appeal while preserving the constitutional role of **High Courts under Articles 226 and 227**.

Improve Infrastructure:

- Tribunals require adequate **courtrooms, registries, research support, digital filing, video-conferencing and case-management systems** to deliver specialised justice efficiently.

Way Forward:

Balance Expertise with Independence:

- Tribunals should combine **judicial competence and technical expertise** without allowing technical specialisation to dilute constitutional standards of independence and procedural fairness.

Separate Adjudication from Administrative Control:

- Administrative and financial functions should be progressively separated from **litigating parent ministries**, thereby reducing institutional conflicts of interest.

Adopt Data-Driven Case Management:

- Digital dashboards, automated case tracking and performance indicators should support **evidence-based management** without reducing judicial quality to disposal numbers.

Preserve Constitutional Judicial Review:

- Tribunal reform should strengthen specialised adjudication while preserving the **constitutional supervisory jurisdiction of High Courts and the Supreme Court**.

Implement Supreme Court Directions in Substance:

- Future legislation should not merely reproduce judicially invalidated provisions in a different statutory form; it must **address the constitutional defects identified by the Court**.

UPSC Perspective — GS-II Linkages:

- **Constitution and Polity:** Part XIV-A, Articles **323A and 323B**, separation of powers, judicial independence and judicial review.
- **Governance:** Institutional accountability, specialised adjudication, administrative efficiency and citizen-centric justice delivery.
- **Judiciary: Articles 226, 227 and 32**, basic structure doctrine and constitutional review of tribunal frameworks.

- **Federalism:** Administrative tribunals and the distinction between **Parliamentary and State legislative competence** in tribunal creation.
- **Accountability:** Transparent appointments, performance monitoring, data-based governance and safeguards against executive dominance.
- **Reform Dimension:** Balancing **specialisation, speed, independence and accountability** within the justice-delivery system.

Conclusion:

- Tribunals were created to provide **specialised and expeditious justice**, but their effectiveness depends on institutional independence, competent personnel and adequate administrative capacity.
- The **Tribunals Reforms Bill, 2026** represents an important attempt to create a unified institutional architecture through the **National Tribunals Commission**.
- Its long-term success will depend not merely on creating the NTC but on ensuring **genuine functional autonomy, transparent appointments, secure tenure, financial independence, adequate infrastructure and effective judicial oversight**.
- A constitutionally sound tribunal system should therefore function as a **specialised extension of the justice-delivery framework**, rather than as an administrative arm of the executive.

Value Addition for UPSC:

Prelims Quick Facts:

- **Part XIV-A:** Tribunals.
- **Article 323A:** Administrative Tribunals.
- **Article 323B:** Tribunals for specified subjects.
- **42nd Constitutional Amendment Act, 1976:** Inserted Part XIV-A.
- **First tribunal:** Income Tax Appellate Tribunal, established in 1941.
- **Key case:** *L. Chandra Kumar v. Union of India* — tribunal decisions remain subject to High Court judicial review.
- **2026 Bill:** Proposes the **National Tribunals Commission**.
- **NTC composition:** Chairperson, two Judicial Members and two Technical Members.
- **Technical Members:** At least **25 years of relevant experience**.
- **Tribunal tenure under Bill:** **Five years**, subject to age limits.
- **Selection:** One recommended name plus one waiting-list name for each vacancy.
- **Appointment timeline:** Central Government to act within **three months**.