

(1989) 10 SC CK 0050
In the Supreme Court Of India
Case No : Writ Petition No. 3615 of 1978

Saiyada Mossarrat (Smt.)

APPELLANT

Vs

Hindustan Steel Ltd., Bhilai and Others

RESPONDENT

Date of Decision : 30-10-1989

Acts Referred:

Companies Act, 1956 — Section 3
Constitution of India, 1950 — Article 246(1), 32, 43
Madhya Pradesh/Chhattisgarh Accommodation Control Act, 1961 — Section 3(1)
Public Premises (Eviction of Unauthorised Occupan

Citation : (1989) J LJ 302

Hon'ble Judges : M.P. Thakkar, J;K.N. Singh, J

Bench : Division Bench

Advocate : Altemesh Rein, for the Appellant; Milon Bennerjee and V.C. Mahajan, for the Respondent

Final Decision : Dismissed

Judgement

M.P. Thakkar, J.—A Seven-Judge Constitution Bench decision in Hari Singh and Others Vs. The Military Estate Officer and Another, upholding the constitutionality of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (Act 40 of 1971) (Act) notwithstanding, the Petitioner has renewed the challenge by way of this petition under Article 32 of the Constitution of India. of course, the epicentre of the present challenge has shifted and is now located in the plea that Parliament does not have the legislative competence to legislate on the subject of the impugned legislation which dimension was not in focus in Hari Singh's case.

2. The Petitioner was allotted a piece of land on licence by the Respondents. The licence was cancelled on the allegation that Petitioner had illegally made encroachment on further land and had illegally raised a structure on the land granted on licence. The Respondent terminated the licence Proceedings were initiated against the Petitioner under the Act. The competent authority passed an order of eviction against the Petitioner. Petitioner's appeal to the appellate authority under the Act was dismissed. The High Court also dismissed the

petition preferred by the Petitioner. this Court refused to grant special leave and dismissed Petitioner's Special Leave Petition. Petitioner even so filed a Civil Suit which came to be dismissed for default of appearance. Meanwhile the Petitioner had approached this Court by way of a SLP against an interlocutory order passed by the Civil Court. The said SLP also came to be dismissed for default of appearance. and thereafter the present Writ Petition has been instituted under Article 32 of the Constitution of India. In the petition as originally framed the constitutionality of the Act was not challenged. The said challenge was incorporated by amending the petition. When the matter came up for hearing this Court issued a Rule Nisi limited to the question of constitutionality of the Act as is evident from the relevant part of the order extracted herein below :

Application for amendment allowed. Rule Nisi on the question of constitutional validity of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. Notice to the Attorney General and the Union of India ordered.

3. Thus, the only question before the Court presently is as regards the constitutional validity of the Act. The scheme of the Act as set out in Hari Singh's case (supra) is as under :-

The scheme of the 1971 Act is that it confers power on Estate Officer to issue notice to persons who are in unauthorised occupation of any public premises to show cause why an order of eviction should not be made. 'Unauthorised occupation'* under the Act in relation to any public premises means the occupation by any person of the public premises without authority for such occupation, and includes the continuance in occupation by any person of the public premises after the authority (whether by way of grant or any other mode of transfer) under which he was allowed to occupy the premises has expired or has been determined for any reason whatsoever. 'Premises' are defined to mean any land or any building or part of a building and includes the garden, grounds and outhouses, appertaining to such building or part of a building and fitting affixed to such building or part of a building for the more beneficial enjoyment thereof. 'Public premises' means any premises belonging to or taken on lease or requisitioned by, or on behalf of the Central Government as enumerated in Section 2 (e) of the Act. The notice to show cause against order of eviction shall specify the grounds on which the order of eviction is proposed to be made. The Estate Officers under the Act are appointed by the Central Government. The Estate Officers are Gazetted Officers or officers of equivalent rank. 'Corporate authority' under the Act means any company or Corporation or any committee or the Authority as mentioned in the Act. The Estate Officer shall for the purpose of holding inquiry under this Act, have the same powers as are vested in a civil Court under the Code of Civil Procedure, 1908 while trying a suit in respect of matters mentioned in Section 8 of the Act. These matters are summoning and enforcing the attendance of any person and examining him on oath; secondly, requiring the discovery and production of document; and thirdly, any other matter which may be prescribed. Section 10 of the Act provides for finality of

orders in circumstances mentioned in Section 10 of the Act therein.

4. The learned Solicitor General has raised a preliminary objection on the threshold. It is contended that the Constitution Bench in Hari Singh's case (supra) has already pronounced that the legislature had the legislative competence to enact the impugned Act. Reliance in this context is placed on the following passage from the Majority of Ray, J. (at p. 2212):-

Therefore, a validating law is upheld first by finding out whether the legislature possesses competence over the subject matter, and, secondly whether by validation the legislature has removed the defect which the Courts had found in previous law.

The legislature had legislative competence to enact the 1971 Act. It means that it could legislate on the subject of providing a speedy procedure for eviction of persons in unauthorised occupation of public premises

(Emphasis added)

5. Now a perusal of the judgments reveal that the debate centered on the issue as to whether Section 15 of the Act provided only one procedure for ejection of all persons in unauthorised occupation of the public premises or whether there was the further option to take recourse to the ordinary law. This Court has concluded that section 15 of the Act provides only one procedure for ejection of persons in unauthorised occupation of the premises for public purposes, unlike Section 5 of the Punjab Public Premises and Land (Eviction and Rent Recovery) Act, 1959 which was held to be unconstitutional in *Northern India Caterers Private Ltd. and Another Vs. State of Punjab and Another*, 1581. Debate did not at all centre around the issue of legislative competence. While it is true (sic) that in Hari Singh's case (supra) it has in terms been stated that the concerned legislature, that is to say the Parliament, has legislative competence to enact the impugned Act, as is evident from the passage extracted hereinabove, it is equally true that the legislative competence of the Parliament to enact the Act does not appear to have been debated at all before the Court as is evident from the circumstance that there is no discussion whatsoever as to under which entry of which List the subject matter of the Act would fall. In the present matter the Petitioner has contended that the subject matter does not fall under any entry either in List I (Union List) or List III (Concurrent List), but it squarely falls under entry 18 of the List II, that is to say, the State List. It has been argued that since the subject matter falls squarely under the State List (List II) and it does not fall under any entry under List I or List III the Parliament has no competence to legislate in respect of the subject matter. Since this specific aspect was not debated before the Constitution Bench, it would not be proper to shut out the Petitioner from raising the plea by recourse to the argument that the point was concluded in Hari Singh's case (supra) regardless of whether the matter was debated or not. Accordingly, we will deal with this point in the light of the submissions urged before us bearing in mind that the Constitution Bench has

categorically observed that the Parliament has legislative competence to enact the Act, albeit in the absence of any debate on this point.

6. Before turning to the entries in List I, List II and List III, with a view to ascertain under which entry the Act in question would fall, it is necessary to ascertain what is the subject matter of legislation applying the 'pith and substance' test. Now so far as this question is concerned, the Constitution Bench in Hari Singh's case (supra) has in clear and unequivocal terms pronounced that the subject matter of the legislation is "providing a speedy procedure for eviction of persons in unauthorised occupation of public premises. As is evident from the passage extracted earlier.

7. Apart from the name of the Act, the preamble to the Act itself makes it abundantly clear that the Act is designed to "provide for the eviction of unauthorised occupants from the public premises and for certain incidental matters." The scheme of the Act also indicates that the central theme of the legislation is to provide for speedy procedure in order to evict persons in unauthorised occupation of public premises. The scheme of the Act shows that apart from the dictionary of terms and expressions used in the Act, the vital provisions of the Act pertain to eviction of unauthorised occupation in exercise of powers conferred by Section 5 after following the procedure u/s 4. The incidental provisions are; (1) with regard to the disposal of the property left in the public premises by the unauthorised occupants and (2) recovery of arrears referable to the point of time prior to the occupation becoming unauthorised and damages in respect of the period of unauthorised occupation as provided in Section 7. Section 8 pertains to the incidental powers of summoning witnesses etc. and Section 9 provides for the appeals. Section 15 excludes the jurisdiction of the Civil Courts. There are similar provisions in regard to incidental and ancillary matters. It is, therefore, evident that the whole Act revolves around the issue of eviction of unauthorised occupants and incidental matters. In any view of the matter it is not open to contend that the subject-matter of the legislation is other than the designing of speedy procedure for eviction of persons in unauthorised occupation of public premises and incidental matters in view of the law declared by the Constitution Bench of this Court in Hari Singh's case (supra). It is in the light of this perspective that the question as to under 'which entry' of 'which list' the subject matter falls, will have to be examined.

8. It has to be realised that if the subject matter of the legislation falls under List 1, the Union of India will have jurisdiction to legislate on the subject, having regard to the mandate embodied in Article 246(1) of the Constitution of India which provides that the Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I of the Seventh Schedule. We must, therefore, address ourselves to the issue as to whether the subject matter of the legislation falls in any of the entries in the Union List (List 1).

9. A scrutiny of the contents of entry 32 of List I is essential in this connection. The entry is in the following terms:-

Property of the Union and the revenue therefrom, but as regards property situated in a State subject to legislation by the State, save in so far as Parliament by law otherwise provides.

10. On an analysis of the entry, it emerges that:-

(1) The Parliament can legislate in respect of property of the Union and revenue therefrom regardless of whether the property is situated in Union Territory or in a State.

(2) But as regards the property situated in a State the property will be subject to legislation made by the State subject to the rider which follows.

(3) While the State can legislate in respect of Union property situated in a State, with regard to such legislation in respect of the Union property Parliament can enact a legislation in respect of the property belonging to the Union of India and the revenue therefrom and in that event the legislation enacted by the Parliament will prevail as against the law enacted by the State.

11. In so far as the legislation for "providing a speedy procedure for eviction of an unauthorised occupant of public premises" is concerned, it is not shown that there is any legislation enacted by the State Legislature which deals with this subject in so far as the property belonging to the Union of India is concerned. When the challenge to the Act came up for scrutiny in the Madhya Pradesh High Court in *L.S. Nair Vs. Hindustan Steel Ltd., Bhilai and Others*, it was not the basis of the challenge that there was any State legislation in regard to this subject matter. Nor has it been contended before us that there is any legislation for eviction of unauthorised occupants enacted by the State Legislature which deals with the aforesaid subject matter, or that the properties belonging to the Union of India are covered by any such State Act. Since there is no such legislation, the legislation enacted by the Centre under the authority of Entry 32 of List I cannot be successfully assailed. What is more, even if there was such a legislation, the Act enacted by the Parliament would prevail as per propositions Nos. 2 and 3 which have emerged on the analysis of Entry 32 made a short while ago. It may be mentioned that in *L.S. Nair's* case it was contended before the Madhya Pradesh High Court that the Madhya Pradesh Accommodation Control Act of 1961 would prevail as against the Public Premises (Eviction of Unauthorised Occupants) Act of 1971 enacted by the Parliament inasmuch as the Madhya Pradesh Accommodation Control Act was enacted later. The High Court rightly repulsed the plea. In the first place, the Madhya Pradesh Accommodation Control Act has, an altogether different perspective. It is an act for the Regulation and Control of letting on rent accommodation in respect of tenants, as revealed by the Preamble. In the second place the Act does not apply to property which is the property of the Government having regard to the provision contained in Section 3 (1) (a). Since the Madhya Pradesh Accommodation Control Act does not apply to the property of the Government there is no question of the said Act prevailing vis-a-vis the Central Act. What is more the Madhya Pradesh

Accommodation Control Act does not pertain to the subject-matter of providing a speedy remedy for eviction of "unauthorised occupants" from public premises belonging to the Union of India. It deals merely with eviction of tenants from premises owned by landlords other than the Government. Under the circumstances, there is no question of the Madhya Pradesh Accommodation Control Act prevailing vis-a-vis the Public Premises (Eviction of Unauthorised Occupants) Act. It cannot be gainsaid that even if both the legislations pertain to the same subject-matter, the legislation enacted by the Parliament in regard to the property belonging to Union of India would prevail having regard to the mandate contained in Entry 32 as has been discussed earlier. Under the circumstances it is futile to contend that the Parliament has no legislative competence to legislate in respect of providing for a speedy remedy for eviction of unauthorised occupants from the property belonging to the Union of India. Entry 32 is wide enough to cover all legislations pertaining to the property of the Union of India including the legislation for eviction of unauthorised occupants from the property belonging to the Union of India. Once the conclusion is reached that the legislation falls under Entry 32 of List I, it is unnecessary to examine the scope of Entry 18 of List III, pertaining to land that is to say rights in or over land tenures including the relationship of land lord-tenant and the collection of rents, transfer and alienation of agricultural land, land improvement, agricultural lands and acquisitions. Again, as explained by this Court in *Indu Bhushan Bose Vs. Rama Sundari Debi and Another*, , "the relation of landlord and tenant" as mentioned in this Entry, is with reference to land tenures which would not appropriately cover tenancy of buildings or of house accommodation and that the expression is only used with reference to relationship between landlord and tenant in respect of vacant lands.

12. At the cost of repetition it may be stated that the 'pith and sub-stance' of the legislation under scrutiny viz. Public Premises (Eviction of Unauthorised Occupants) Act of 1971 is eviction of unauthorised occupants from properties belonging to the Union of India and incidental and ancillary matters. It does not pertain to any matter relating to rights in relation to landlord and tenants for eviction of tenants from lands which have been leased. The Public Premises Act is concerned with the eviction of those persons who have no authority in law to remain in possession of the land belonging to the Union of India. The unauthorised persons may be squatters, persons having no rights whatsoever, or persons who were in occupation by virtue of any agreement but whose right under the agreement had come to an end. Thus, there is no substance in the contention that the Parliament had no legislative competence to enact the Public Premises Act.

13. The Learned Counsel for the Petitioner has, however, urged an argument in the context of the definition of 'Public Premises' as embodied in Section 2 (e) (1) (i) of the Act. The definition envelops premises belonging to or taken on lease by or on behalf of any Company as defined in Section 3 of the Companies Act of 1956 in which not less than 51% of the paid-up capital is held by the Central

Government. This contention was raised before the Madhya Pradesh High Court in L.S. Nair's case (supra) and has been repulsed by the High Court on the reasoning unfolded in the passage extracted from paragraph 4 of the judgment:-

The first contention raised by the Learned Counsel for the Petitioner is that the Act in so far as it includes in the definition of public premises, 'any premises belonging to or taken on lease by or on behalf of any company as defined in Section 3 of the Companies Act, 1956, in which not less than 51% of the paid-up share capital is held by the Central Government,' is ultra vires and void, as to that extent the Act is beyond the legislative competence of Parliament. The argument of the Learned Counsel is that the Act was enacted under Entry 32, List I of the VII Schedule to the Constitution, which relates to "property of the Union and the revenue therefrom", and that this entry cannot be construed to include the property of a Government company which is a different and distinct legal entity from the Union. It may be conceded that the expression "property of the Union", as used in Entry 32, List I. cannot be construed to include the property of a Government Company. But if Entry 32 gives jurisdiction to Parliament to enact the Act in respect of Government premises, as contended by the Learned Counsel for the Petitioner, Entry 43 which relates to incorporation, Regulation and winding up of trading jurisdictions read with Entry 95 which relates to jurisdiction and powers of all Courts except the Supreme Court, with respect to any of the matters in List, can be construed to confer power in Parliament to enact the Act in respect of premises belonging to a Government company (sic) seems, however, more appropriate that in so far as the Act deals with a lessee or licensee of premises belonging to a Government company, the subject-matter of the Act would be covered by Entries 6, 7 and 46 of List 111. These entries broadly deal with transfer of property, contracts and jurisdiction and powers of Courts with respect to any of the matters in List III. Taxing either vi w in our opinion it is not correct to say that the Act in so far as it relates to premises belonging to a Government company suffers from want of legislative competence.

Learned Counsel for the Petitioner has not been able to show that there is any infirmity in the reasoning of the High Court. Besides, a legislation pertaining to a Government Company including one pertaining to eviction of trespassers, or unlawful occupants of properties belonging to Government Companies speedily can be enacted by the Parliament. Government Companies are governed by the Indian Companies Act which has itself been enacted in exercise of the legislative authority conferred by Article 43 of the Union List (List I) of the Seventh Schedule of the Constitution. It is idle to contend and it has accordingly not been contended, that a State can legislate under the authority to legislate conferred by the State List (List II) in regard to properties of a Government Company which may have properties in more than one State and even in Union Territories. The need to speedily evict trespassers or unauthorised occupants of such properties is self evident. The States cannot legislate for such properties in respect of properties situated in more than one State or Government companies

situated in different States all over India. Surely, the Parliament, in obeisance to its obligation to protect and safeguard the National and overall public interest, can legislate in this respect under the residuary all pervasive entry--Entry 97 of the Union List (List I) of the Constitution of India which clothes the Parliament with the requisite legislative authority in regard to 'any other matter not enumerated in List II or List III including any tax not mentioned in either of these lists". It has not been shown that any of the entries in List II or List III would be attracted to the subject-matter of speedy eviction of unauthorised occupants from properties belonging to a Government Company wherein Central Government has more than 51% of the paid up share capital. The source of authority can thus in any case be traced to Entry 97 read with Entry 95 of the Constitution of India.

14. In any view of the matter, therefore, it is futile to contend that Parliament had no legislative competence in this behalf. We, therefore, concur with the conclusion reached by the High Court in L.S. Nair's case (supra) and repel the challenge unhesitatingly.

15. The petition accordingly fails and is dismissed. The interim order will stand vacated. No costs.