

State of U. P. and Another

Vs

Malik Zarid Khalid

Civil Appeal No. 2981 of 1987

(S. Ranganathan, Ranganathan JJ)

11.11.1987

JUDGMENT

RANGANATHAN, J. –

1. Special leave granted.

2. This is an appeal to this Court from the judgment of a Single Judge of the Allahabad High Court in a civil revision petition filed by the appellant (C.R.P. 155 of 1984). The result of the judgment was to restore a decree passed against the appellant by the trial court in a suit for eviction instituted by the respondent in 1980. The main ground on which the appellant had resisted the suit was that the suit was barred by the provisions of the Uttar Pradesh Urban Buildings (Regulation of Letting, Rent and Eviction) Act, 1972 (which we shall hereinafter briefly refer to as 'the Rent Act'). It is the correctness of this ground of defence that is in issue in this appeal.

3. The appellant, the State of Uttar Pradesh, took on lease a premises at Barabanki belonging to the respondent for the purpose of running a Leprosy Training Center. The respondent was thus the landlord, and the appellant the tenant, in respect of the premises within the meaning of Section 3(a) of the Rent Act. This Act has been enacted "to provide, in the interests of the general public, for the regulation of letting and rent of, and the eviction of tenants from, certain classes of buildings situated in urban areas, and for matters connected therewith". Section 20 of the Act bars the institution of a suit for the eviction of a tenant, notwithstanding the termination of his tenancy, except on the grounds specified in sub-section (2) of that section but none of these grounds were pleaded by the respondent. Section 21 of the Act enables a prescribed authority to order the eviction of a tenant in two situations, subject to certain conditions and limitations. These situations are : (a) where the landlord requires the premises for his own use and (b) where, the building being in a dilapidated condition, he desires to demolish the same and put up a new construction. These situations also do not prevail here. The landlord, however, gave a notice of termination of tenancy under Section 106 of the Transfer of Property Act and filed a suit for recovery of possession. The appellant claimed that the suit was not maintainable and that the respondent's remedy, if any, was only to seek eviction in the circumstances and in the manner outlined in the Act.

4. The respondent sought to overcome this hurdle by contending that the premises in question are not one of the classes of buildings covered by the Rent Act. In support of this contention, he relied upon an exclusion clause incorporated in Section 2(1)(a) of the Act. Since the whole case turns on a proper interpretation of this clause and since the clause has undergone changes from time to time, it is necessary to refer to these in some detail to facilitate a proper appreciation of the stands of the parties.

(A) In the Rent Act, as originally enacted and brought into force on July 15, 1972, this sub-section ran thus :

Nothing in this Act shall apply to -

(a) any building belonging to or vested in the Government of India or the Government of any State or any local authority; or

(b) any tenancy created by grant from the State Government or the Government of India in respect of a building taken on lease or requisitioned by such government.

(B) U.P. Act 28 of 1976 amended Section 2(1) to substitute new clauses in place of above clauses. The amended sub-section, insofar as is relevant for our present purposes, reads thus :

Nothing in this Act shall apply to -

(a) any public building; or

(b) any building belonging to or vested in a recognised educational institution, the whole of the income from which is utilised for the purposes of such institution;

A definition of "public building" was inserted in Section 3 which reads :

(o) 'public building' means any building belonging to or taken on lease or requisitioned by or on behalf of the Central Government or a State Government (including the government of any other State), and includes any building belonging to or taken on lease by or on behalf of any local authority or any public sector corporation.

These amendments are made effective from July 5, 1976.

(C) It appears that the above provisions were sought to be amended by U.P. Ordinance 11 of 1977 (promulgated on April 27, 1977) with retrospective effect from July 5, 1976 by substituting the following clause (a) of Section 2(1) of the Rent Act :

2(1) (a) any building of which the government or a local authority or a public sector corporation is the landlord.

Section 3(o) was left unamended. However, the above Ordinance was allowed to lapse. Thus the amendment had become inoperative by the time the suit in the present case was instituted.

(D) The next amendment of the Rent Act was by U.P. Ordinance 28 of 1983 promulgated on May 18, 1983. This revived the amendment made by the 1977 Ordinance which had been allowed to lapse. This time this amendment was not allowed to lapse on the expiry of the Ordinance but was kept alive by five successive Ordinances : 43 of 1983 dated October 12, 1983, 6 of 1984 dated March 24, 1984, 8 of 1984 dated May 7, 1984, 20 of 1984 dated October 22, 1984, and finally 9 of 1985 dated April 26, 1985. All these amendments were made effective from May 18,

1983 insofar as the provision presently under consideration is concerned. The last of these, it may be noted, was promulgated subsequent to the judgment of the High Court presently under appeal.

(E) Finally, the U.P. legislature enacted Act 17 of 1985 on August 20, 1985 "regularising" the state of legislation by ordinances. By Sections 1 and 2 of this Act, the amendment made to Section 2(1)(a) by the 1977 Ordinance and kept alive by the Ordinances of 1983 and 1984 was made effective from May 18, 1983.

5. In this legislative background, the appellant contended, successfully before the Additional District Judge but unsuccessfully before the trial court and High Court, that the premises in question was not a 'public building' within the meaning of Section 3(o) read with Section 2(1)(a) of the Rent Act, as amended from July 5, 1976 and, hence, the respondent's remedy for eviction of the appellant was not by way of suit in a civil court. What is the correct interpretation of this clause ? This is the question before us.

6. We have set out above the definition of 'public building' in Section 3(o) after the 1976 amendment. The language of this definition is very wide. It takes in three categories of buildings : (i) buildings belonging to (that is, owned by) the Central or State Government; (ii) buildings (not belonging to the government) but taken on lease or requisitioned by it or on its behalf and (iii) buildings belonging to or taken on lease by or behalf of any local authority or any public sector corporation. In the present case, the building in question is one taken on lease by the State Government and so it falls squarely within the definition of 'public building'. It is, therefore, exempt from the application of the Act by reason of Section 2(1) as it stood at the relevant time. It would follow, therefore, that the respondent's remedy to recover possession lay under the general law and had to be enforced by a suit for recovery of possession which is exactly what he has done. Prima facie, therefore, the trial judge and the High Court were right in decreeing his suit.

7. It is, however, contended on behalf of the appellant that Section 3(o) should not be given such a wide meaning. The argument runs thus : The intention of the legislature was to exclude from the purview of the Rent Act only buildings in respect of which the government was either the owner or the landlord. This is clear from the previous history as well as the subsequent legislations. U.P. Act 3 of 1947 (which preceded the 1972 Act) was amended by Ordinance 5 of 1949 with effect from September 26, 1949 to exclude from its purview "any premises belonging to the Central or State Government and any tenancy or other like relationship created by a grant from the government in respect of premises taken on lease or requisitioned by the government". The language of Section 2(1)(a) of the Rent Act, as it stood before its amendment in 1976, left no doubt in anyone's mind that the legislature intended only to exclude buildings belonging to the government or any local authority and those taken on lease or requisitioned by government and rented out by it to others. The only object of the 1976 amendment was to extend the above exclusion also to buildings owned or let out by local authorities and public sector corporations. This was sought to be done by providing that the Act would not apply to 'public buildings' and inserting a definition of that expression in Section 3(o). That definition was, no doubt, phrased somewhat broadly. But, having regard to the previous history as well as the language of the subsequent legislation already referred to above, there can be no doubt that the legislature never intended to exclude the operation of the Rent Act vis-a-vis premises of which the government (and, hereinafter, this expression will take in also a reference to local authorities and public corporations) was neither the owner nor the landlord but merely a tenant.

8. Support for the above restricted construction is also sought from the phraseology of Section 21(8) of the Rent Act. As has been mentioned earlier, Section 21 empowers the prescribed authority, on an application from a landlord, to evict a tenant on two grounds :

(a) need of the premises by him for his self-occupation; and

(b) need to demolish the building and reconstruct it.

Sub-section (8) enacts a restriction in respect of the first of these grounds. It reads :

(8) Nothing in clause (a) of sub-section (1) shall apply to a building let out to the State Government or to a local authority or to a public sector corporation or to a recognised educational institution unless the Prescribed Authority is satisfied that the landlord is a person to whom clause (ii) or clause (iv) of the Explanation to sub-section (1) is applicable.

It is submitted that this sub-section places it beyond doubt that the the Act does apply also to buildings in which a State Government, local authority, public sector corporation or recognised educational institution is a tenant and proceeds to restrict the scope of an application under Section 21 of the Act in such cases. It is pointed out that, if the definition in Section 3(o) is given a wide meaning so as to exclude from the application of the Act even buildings in which these bodies are mere tenants, the result would be to render Section 21(8) redundant and otiose. Such a construction of the statute, it is submitted, should not be favoured.

9. The above line of argument found favour with a Full Bench of the Allahabad High Court dealing with a batch of petitions filed by a number of public sector corporations resisting suits for eviction instituted against them : Punjab National Bank v. Sughan Chandra ((1985) 1 ARC 215). This Full Bench decision was rendered on November 29, 1984 but was apparently not available to the learned Judge who decided the present case on January 23, 1985. Learned counsel for the appellant urges that we should approve of the Full Bench decision and reverse the judgment under appeal.

10. We are unable to accept the appellant's contention. The interpretation placed by the Full Bench of the High Court on Section 3(o) equates the position under the statute after the amendment of 1976 to the position both as it stood prior to the 1976 amendment and also as it stood after the 1983 Ordinance. Such an approach fails to give any effect at all to the change in language deliberately introduced by the 1976 amendment. No doubt, prior to the amendment, only buildings of which the government was owner or landlord were excluded from the Act. But the legislature clearly intended a departure from the earlier position. If the intention was merely to extend the benefit to premises owned or let out by public corporations, it could have been achieved by simply adding a reference to such corporations in Section 2(1)(a) and (b) as they stood earlier. Reading Section 2(1)(a) and (b) as they stood before amendment and the definition in Section 3(o) side by side, the departure in language is so wide and clear that it is impossible to ignore the same and hold that the new definition was just a re-enactment of the old exemption. The exclusion was earlier restricted to buildings owned by the government and buildings taken on lease or requisitioned by government and granted by it by creating a tenancy in favour of someone. The amendment significantly omitted the crucial words present in the earlier legislation which had the effect of restricting the exclusion to tenancies created by the government, either as owner or as landlord. Full effect must be given to the new definition in Section 3(o) and to the conscious departure in language in reframing the exclusion.

11. The subsequent legislation also reinforces the same conclusion. The 1976 amendment had come up for judicial interpretation and certain decisions referred to in the Full Bench decision as well as the judgment presently under appeal had given the above literal interpretation to Section 3(o). If they had run counter to the true legislative intent, one would have expected the repeated Ordinances since 1983 and the ultimate Amendment Act of 1985 to have placed the position beyond doubt by a retrospective amendment. Though the Ordinance of 1977 made its amendment retrospective from July 5, 1976, these alter amendments are all specifically given effect to from May 18, 1983. The effect of the decisions rendered remained untouched till then. The fact that the 1976 amendment marked a departure from the more restricted exclusion available earlier and the fact that the said restricted exclusion was again restored with effect only from May 18, 1983 militates against the correctness of adhering to this narrow interpretation even during the interregnum from May 5, 1976 to May 18, 1983.

12. It may now be considered whether the above interpretation renders Section 21(8) redundant. As pointed out by the Full Bench of the High Court, not much thought has gone into the framing of this sub-section which has failed to notice that clauses (ii) and (iv) of the Explanation to sub-section (1) which are referred to in it, had been omitted by an earlier clause of the same section of the same Act. The Ordinance of 1977 sought to remedy this position by deleting the words "unless the Prescribed Authority is satisfied ... is applicable" used in the sub-section but this Ordinance was allowed to lapse and the subsequent Ordinances and Amendment Act paid no heed to Section 21(8). Nevertheless, despite this clumsy drafting, one would certainly hesitate to give an interpretation to the definition clause in Section 3(o) which may have the effect of rendering this sub-section otiose. But luckily that is not the position. As pointed out by counsel for the respondent, sub-sections (1), (1-A) and (8) of Section 21 have to be read together. Though Section 2(1)(a) excludes public buildings - which we have interpreted to include buildings in which the government is only a tenant - Section 21(1-A) incorporates an exception to this exclusion. "Notwithstanding anything contained in Section 2", it permits an application for eviction being moved under Section 21(1)(a) of the Act by a landlord against any tenant but in the limited circumstance set out in that sub-section viz., that the landlord has been in occupation of a public building but had to vacate it as he had ceased to be in the employment of the government, local authority or corporation. In other words, the landlord of a building in which the government is a tenant could have moved an application under Section 21(1)(a) read with Section 21(1-A). This is what is prohibited by Section 21(8) absolutely in view of clauses (ii) and (iv) of Explanation 1 to sub-section (1) being non-existent. Section 21(8) makes it clear that while a landlord who is compelled to vacate a public building occupied by him due to cessation of his employment can proceed under the Act to evict any tenant occupying his property so that he may use his own property for his residential purposes, he will not be able to do so where his tenant is the government, a local authority or a public corporation. Thus read, Section 21(8) does not become otiose or redundant by accepting the wider interpretation of Section 3(o). This objection of the appellant is not, therefore, tenable.

13. The Full Bench of the High Court has referred to one general aspect which appears to have considerably influenced it in preferring a narrower interpretation of Section 3(o). It referred to the increasing difficulties faced even by government and other public bodies in securing proper accommodation for their functioning and the near impossibility, even for them, of securing alternative accommodation at comparative and non-exorbitant rates once they are compelled to vacate their existing tenancies. The court posed to itself the question whether the legislature can be said to have intended to exclude them from the benefits of the Act and throw them open to eviction by suits following a mere termination of tenancy by notice under Section 106 of the Transfer of Property Act, at the mere whim and caprice of their landlords. This, the court thought, was unlikely

particularly when, prior to the Amendment Act of 1976, as well as subsequent to 1983, they could have been evicted only on one or other of the grounds available under Section 20 or Section 21 of the Act and more so because the amendment manifests an intention to extend to public corporations benefits previously available only to a government and to a local authority. The object of the exclusion in Section 2(1)(a), it is said, was to remove, in respect of buildings where the government or local authority was the landlord (either as a owner or principal lessee or requisitioning authority) the shackles imposed on other landlords but not to deprive these bodies, when they are mere tenants, of the protection available to other tenants under Act. Having regard to these considerations, the Full Bench of the High Court has invoked a line of decisions of this Court and others which advocate that, in certain situations, importance should be attached to the "thrust of the statute" rather than to the literal meaning of the words used to justify their refusal to give the words of Section 3(o) full effect.

14. It is true that there are situations in which courts are compelled to subordinate the plain meaning of statutory language. Not unoften, courts do read down the plain language of a provision or give it a restricted meaning, where, to do otherwise may be clearly opposed to the object and scheme of the Act or may lead to an absurd, illogical or unconstitutional result. But we think that this mode of construction is not appropriate in the context of the present legislation for a number of reasons. In the first place, such an interpretation does not fit into the legislative history we have traced earlier. It does not explain why the legislature should have, while enacting the 1976 amendment, omitted certain operative words and used certain wider words instead. As we have pointed out earlier, if the idea had only been to add to the exclusion buildings owned or let out by public sector corporations, that result could have been achieved by a minor amendment to Section 2(1)(a) as it stood earlier. A conscious and glaring departure from the previous language must be given its due significance. Secondly, the Rent Act is a piece of legislation which imposes certain restrictions on a landlord and confers certain the protections on a tenant. It could well have been the intention of the legislature that the government, local bodies and public sector corporations should be free not only from the restrictions they may incur as landlords but also that they need not have the protection given to other ordinary tenants. To say that the legislature considered the government qua landlord to be in a class of its own and hence entitled to immunity from the restrictions of the Act but that, qua tenant, it should be on the same footing as other tenants will be an interpretation which smacks of discrimination. The legislature could have certainly intended to say that the government, whether landlord or tenant, should be outside the Act. Thirdly, while it is true that the result of the interpretation we favour would be to facilitate easy eviction of government, local authorities and public corporations, there is nothing per se wrong about it because, with their vast resources or capacity to augment their resources, these bodies would not be in as helpless a position as ordinary tenants for whose benefit the legislation is primarily intended. On the other hand, the ultimate result of the interpretation accepted by the Full Bench will be to practically deny a landlord, who has given his premises on rent to these bodies, any remedy to get back possession of his premises. The contingencies for which eviction is provided for in Section 20 are hardly likely to arise in the case of such tenants; Section 21(1)(a) is taken out by Section 21(8); and, virtually, the only ground on which eviction can be sought by a landlord of such a building against such a tenant, on the interpretation urged by the petitioner, would be the one contained in Section 21(1)(b). It is debatable whether the legislature could have contemplated such a situation either. Fourthly, in this case, the legislature has applied its mind to the situation more than once subsequently. If its intention in carrying out the amendment had been misunderstood by the High Court or found ambiguous, the legislature was expected to rectify the situation by a piece of retrospective or declaratory legislation. The 1977 Ordinance was, but the later Ordinances and the 1985 Act are not, of this nature. Thy

neither are, nor purport to be, declaratory or retrospective from July 5, 1976. At least, if the 1985 Act had been made retrospective from July 5, 1976, one could have thought it was a clarificatory piece of legislation. But the legislature has advisedly given these enactments effect only from May 18, 1983. This means that the amendment of 1976 was intended to be effective between July 5, 1976 and May 18, 1983 and it also means that the amendment of 1983 onwards is not intended to be read back for that period. Lastly, in any event, the interpretation given by us will create no lasting difficulties for the government and other organisations which are tenants only, since after May 18, 1983 they will be in a position to claim all the immunities available to other tenants under the Act.

15. For the reasons discussed above, we overrule the decision of the Full Bench of the Allahabad High Court in *Punjab National Bank v. Sujan Chandra* ((1985) 1 ARC 215) on this point. In the result, this appeal is dismissed. We, however, make no order regarding costs.

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