**SUPREME COURT OF INDIA**

Pallawi Resources Ltd.

Vs.

Protos Engineering Company Pvt.Ltd.

C.A.No.2763 of 2010

(V.S.Sirpurkar and Dr.Mukundakam Sharma JJ.)

26.03.2010

**JUDGEMENT**

**Dr.Mukundakam Sharma, J.**

1. Leave Granted.

2. This appeal by special leave is directed against the judgment and order dated 26.03.2008 passed by the Calcutta High Court under its ordinary original civil jurisdiction whereby the High Court dismissed the application G.A. No. 800 of 2008 in C.S. No. 14 of 2008 1 moved by the appellant herein under Chapter XIIIA of the Rules on the Original Side Rules of the Calcutta High Court for a summary judgment.

3. The issue and the controversy that falls for consideration in the present appeal deals with the interpretation of the provisions of sub-section 4A of Section 17 of the West Bengal Premises Tenancy Act, 1997. The question that arises for our consideration is whether the fair rent in respect of a tenancy which subsists for 20 years or more in respect of the premises constructed in or before the year 1984 and used for commercial purpose is required to be determined by the Rent Controller or whether the same would stand automatically determined under sub- section 4A of Section 17 read with Section 20 of the West Bengal Premises Tenancy Act, 1997.

4. At this juncture, it will be pertinent to set out a brief statement of facts in the backdrop of which the present controversy has arisen before us. A lease deed dated 2 15.02.1969 was executed between the appellant and the respondent herein for grant of lease, for office purposes, of the entire first floor of premises no. 20, Rajendra Nath Mukherjee Road, Calcutta for a period of twenty years from 01.02.1969 to 31.01.1989 and the rent mutually settled and agreed upon by the parties was Rs. 2,250/- per month as the basic component of the rent (the service charges and other additional payments excluded).

5. Upon the expiry of the term of twenty years, the appellant herein instituted a suit being C.S. No. 778 of 1989 before the Calcutta High Court. The appellant herein, however, had withdrawn the said suit by way of an order dated 18.04.2006. In the meanwhile, the West Bengal Premises Tenancy Act, 1997 came into force which repealed the earlier Act of 1956. Section 17(4A) was inserted by the West Bengal Premises Tenancy (Amendment) Act, 2002 with retrospective effect from 10.07.2001.

6. The appellant therefore issued to the respondent a notice dated 12.03.2007 under Section 20 of the West Bengal Premises Tenancy Act, 1997 intending to increase the rent of the said premises to Rs. 13,500/- per month, it being five times the rent earlier agreed upon by the parties due and recoverable from the month of May 2007.

> "A notice under Section 106 of the Transfer of Property Act, 1882 dated 09.06.2007 terminating the tenancy and calling upon the respondent to hand over vacant, peaceful and khas possession of the said premises was served upon the respondent by the appellant."

7. Since the respondent continued to occupy the said premises, the appellants instituted a suit C.S. No. 14 of 2008 in the High Court of Calcutta under its ordinary original civil jurisdiction, praying, inter alia, for a decree of peaceful, vacant and khas possession of the said premises. Subsequently, an application G.A. No. 800 of 2008 for a summary judgment was moved by the appellant wherein it was contended by the appellant that 4 under sub-section 4A of Section 17 there is a mandate for increase of rent which automatically comes in operation upon a notice in that regard being issued under Section 20 without the landlord requiring to perfect the demand before any other authority. It was also urged that if there is no dispute as to the quantum, the increased rent becomes payable from the month or period of tenancy next after the expiry of 30 days from the date of the notice and the refusal without any dispute as to the quantum would not make the landlord liable to apply before the Rent Controller for fixation of rent. It was further contended that only where a tenant refused to accept the increase as suggested by a landlord, the landlord has perforce to seek the increase before the Rent Controller. However, the Court relying on an earlier judgment of the Division Bench of that Court reported as 2006 (2) CHN 386 dismissed the said application. Hence, the parties are in appeal before us.

8. Before proceeding further, we wish to refer to the rival contentions made by the learned counsel appearing for the parties. Dr. A.M. Singhvi and Mr. Ranjit Kumar, learned senior counsel appearing on behalf of the appellant, contended before us that Section 17(4A) of the West Bengal Premises Tenancy Act, 1997 as inserted by the 2002 Amendment Act, envisages that the determination of the fair rent would be automatic under Section 17(4A) read with Section 20 of the West Bengal Premises Tenancy Act, 1997 without reference to the Rent Controller once the three pre-conditions which govern the applicability of Section 17(4A) spelt out in that Section are fulfilled. According to the counsel for the appellant, fixation of the rent is automatic because Section 17(4A) prescribes a formal method of fixing the rent requiring only minimal calculation. The counsel further forcefully submitted before

us that since the job of fixing the rent does not involve any adjudicatory process, it is a ministerial task, and hence reference to the Rent Controller is not required.

9. Mr. Bhaskar P. Gupta, learned senior counsel appearing on behalf of the respondent, on the other hand, contended that sub-section 4A of Section 17 has to be read in conjunction with the other sub-sections of that Section and that application of Section 17(1) which requires the Rent Controller to fix the fair rent cannot be dispensed with. Mr. Gupta also laid emphasis on the fact that Rule 8 of the West Bengal Premises Tenancy Rules, 1999 which prescribes the manner of making applications under Section 17 for fixation of the fair rent remains unamended even after the amendment of the 1997 Act, thereby keeping the manner of fixation of the fair rent intact even for cases falling under sub-section 4A of Section 17.

10. We have carefully considered the aforesaid submission of the counsel appearing for the parties. In order to appreciate the said contentions we have also perused not only the statutory provisions of the West Bengal Premises Tenancy Act, 1997 but also the Statement of Objects and Reasons leading to framing of the aforesaid legislation as also the Statement of Objects and Reasons for bringing in an amendment of the said Act in 2002 giving retrospective effect to the said provisions from 2001.

> “Before the enactment of the West Bengal Premises Tenancy Act, 1997, the field was covered by the West Bengal Premises Tenancy Act, 1956. However, the aforesaid Act of 1997 was legislated after repealing the West Bengal Premises Tenancy Act, 1956. We may now have a look at the definition of the term "fair rent" under the Act of 1997. The definition of "fair rent" is given in Section 2(b), where it is stated that fair rent means rent fixed under Section 17 of the Act. At this stage, reference is also to be made to the relevant text of Section 17 which is reproduced below for the purpose of convenience but restricted only to the relevant portion: - "Section 17 - Fixation of fair rent - (1) The Controller shall, on application made to him either by the landlord or by the tenant in the prescribed manner, fix the fair rent in respect of any premises in accordance with the provisions of this Act.
>
> ......................................................................
> ......................................................................
>
> (4A) Where a tenancy subsist for twenty years or more in respect of the premises constructed in or before the year 1984 and used for commercial purpose, the fair rent shall be determined by adding to the rent as on 1.7.1976 five times or by accepting the existing rent if such rent is more than the increased rent determined under this sub-section."
>
> The text of Section 20 which deals with the issuance of a notice required to be mandatorily given to the tenant by the landlord if he wants to increase the rent is also reproduced hereunder: - "Section 20 - Notice of increase of rent - Where a landlord intends to increase the rent of any premises, he shall give to the tenant the notice of

his intention so to do in so far as such increase is permissible under this Act; the increase of rent shall be due and recoverable from the month or period of tenancy next after the expiry of thirty days from the date on which the notice is given."

11. It may be mentioned herein that in the original Act of 1997 there did not exist the provisions of sub-section 4A of Section 17 and the same was brought in by the Amendment Act of 2002, operating retrospectively with effect from 10.07.2001. In the Statement of Objects and Reasons of the Bill of 2002 it was stated that one of the purposes for bringing in the Amendment Bill is to extend the application of the said Act to the premises let out for residential purpose and non- residential purpose having monthly rent upto Rs. 6,000/- and Rs. 10,000/- respectively situated within the limits of Kolkata Municipal Corporation or the Howrah Municipal Corporation as well as to extend the application of the said Act to the premises let out for residential purpose and non-residential purpose having monthly rent upto Rs. 3,000/- and Rs. 5,000/- respectively situated in other areas to which the said Act extends. Another reason stated for bringing in the Amendment Bill was to amend Section 17 of the said Act for fixation of fair rent in such a manner so as to provide benefit to both the landlord and the tenant concerned.

12. A plain reading of Section 17(4A) would suggest that the three conditions which must co-exist for the applicability of that sub-section in a given case are:

> "i. There must be a subsisting tenancy for twenty years or more; and ii. The tenancy must be in respect of a premises constructed in or before the year 1984; and iii. The premises must be used for a commercial purpose.
>
> The counsel for the parties have, before us, not disputed the fulfillment of these three pre-conditions in the present case.
>
> Therefore, we intend to directly move to the point which is in issue before us in the present appeal. At the outset, we wish to point out that for a number of reasons set out in the following paragraphs, we cannot accept the view propounded by the learned senior counsel appearing for the appellant."

13. A cardinal principle of statutory interpretation is that a provision in a statute must be read as a whole and not in isolation ignoring the other provisions of that statute. While dealing with a statutory instrument, one cannot be allowed to pick and choose. It will be grossly unjust if the Court allows a person to single out and avail the benefit of a provision from a chain of provisions which is favourable to him. Reference may be made to a constitutional bench decision of this Court in the case of *Prakash Kumar v. State of Gujarat*[1].

> "The Court, in para 30, of that judgment observed as follows:
>
> "30. By now it is well settled principle of law that no part of a statute and no word of a statute can be construed in isolation. Statutes have to be construed so that every

word has a place and everything is in its place. It is also trite that the statute or rules made thereunder should be read as a whole and one provision should be construed with reference to the other provision to make the provision consistent with the object sought to be achieved."

14. We wish to also refer to a latest judgment of this Court reported as *SAIL v. S.U.T.N.I. Sangam and Ors.*[2], wherein this Court, very succinctly reiterated the aforesaid position in, para 79, as follows:

> "79. The learned counsel, however, invited our attention to take recourse to the purposive interpretation doctrine in preference to the literal interpretation. It is a well settled principle of law that a statute must be read as a whole and then chapter by chapter, section by section, and then word by word. For the said purpose, the Scheme of the Act must be noticed. If the principle of interpretation of statutes resorted to by the Court leads to a fair reading of the provision, the same would fulfill the conditions of applying the principles of purposive construction."

15. From these authorities, it is amply clear that a provision in a statute ought not to be read in isolation. On the contrary, a statute must be read as an integral whole keeping in view the other provisions which may be relevant to the provision in question in order to correctly arrive at the legislative intent behind the provision in question. Applying this principle to the case at hand which involves an interpretation of Section 17 (4A), it will not be appropriate for us to read sub-section 4A of Section 17 ignoring the other relevant provisions. It will also be pertinent to note that Section 18 of the Act which speaks about revision of the fair rent employs the words "automatically increased" in contradistinction to the word "determined" used in Section 17 (4A). The use of different terminology in the two sections thus indicates that the legislative intent was to lay down different modes for fixation of the rent under the two sections.

16. Furthermore, a plain reading of Section 20 of the Act would show that Section 20 allows the landlord to only give a notice of his intention to increase the rent, which becomes due and recoverable from the month or period of tenancy next after the expiry of thirty days from the date on which the notice is given. We are of the considered view that the requirement of giving by the landlord a notice of intention to increase the rent instead of a notice of increase of rent and the period of one month which has been allowed before the increased rent becomes due and recoverable from the tenant by the landlord sufficiently indicate that the legislature did not intend to make the rent fixed by the landlord automatically applicable without any reference to the Rent Controller.

17. The stand of the learned senior counsel appearing on behalf of the appellant that under sub-section 4A of Section 17 there is automatic fixation of the fair rent without any reference to the Rent Controller is untenable as it is not in conformity with the cardinal rule referred to above by us.

> "Section 17 of the West Bengal Premises Tenancy Act, 1997, as it stands today, consists of a number of sub-sections. Sub- sections 4A and 4B were both inserted in Section 17 by the West Bengal Premises Tenancy (Amendment) Act, 2002 with retrospective effect from 10.07.2001. Sub-section (1) of Section 17 clearly states that the Controller shall be the authority to fix the rent in respect of any premises in accordance with the provisions of that Act. Sub-section 4A of Section 17 lays down the mode for the determination of fair rent where a tenancy subsists for twenty years or more in respect of the premises constructed in or before the year 1984 and used for commercial purpose."

18. Further, it is a well established principle of statutory interpretation that the legislature is specially precise and careful in its choice of language. Thus, if a statutory provision is enacted by the legislature in a certain manner, the only reasonable interpretation which can be resorted to by the courts is that such was the intention of the legislature and that the provision was consciously enacted in that manner. It is a well-settled principle in law that the court cannot read anything into a statutory provision which is plain and unambiguous. The language employed in a statute is the determinative factor of the legislative intent. If the language of the enactment is clear and unambiguous, it would not be proper for the courts to add any words thereto and evolve some legislative intent, not found in the statute. Reference in this regard may be made to the recent decision of this Court in *Ansal Properties & Industries Ltd. v. State of Haryana*[3].

19. We must also take note of the submission made by the learned senior counsel appearing for the respondent that sub- section 4A of Section 17 employs the word `determine'. The learned senior counsel has placed reliance on the judgment of a three Judge bench of this Court, which is binding on us, reported as *Divisional Personnel Officer, Southern Rly. v. T.R. Chellappan*[4], the relevant portion of para 21 is reproduced herein below:

> "21...................The word "consider" has been used in contradistinction to the word "determine". The rule-making authority deliberately used the word "consider" and not "determine" because the word "determine" has a much wider scope. The word "consider"
> merely connotes that there should be active application of the mind by the disciplinary authority after considering the entire circumstances of the case in order to decide the nature and extent of the penalty to be imposed on the delinquent employee on his conviction on a criminal charge. This matter can be objectively determined only if the delinquent employee is heard and is given a chance to satisfy the authority regarding the final orders that may be passed by the said authority. In other words, the term "consider" postulates consideration of all the aspects, the pros and cons of the matter after hearing the aggrieved person.................."

20. We may also add herein that all the sub-sections included in Section 17 are independent provisions laying down different criteria on the fulfillment of which an application could be filed before the Rent Controller praying for increasing the fair rent. In other words, Section

17 lays down different types of causes of action as to when such an increase could be sought for. Sub-section (1) of Section 17 makes it crystal clear that on the happening and fulfillment of the criteria laid down in each of the cause of action, an application would be required to be filed before the Rent Controller who would then determine as to what would be the fair rent. Although, it could only be a case of mathematical calculation yet an order in that regard is to be passed by the Rent Controller on the basis of an application filed before it by determining the quantum of such fair rent.

21. In case there is a case of deemed increase of fair rent or an automatic increase, as suggested by the counsel appearing for the appellant, still somebody would have to determine that it has so increased and that authority is definitely the Rent Controller who could exercise the jurisdiction only when he receives an application. Unless an application is received in that regard, nobody would know that in fact a case for increase of fair rent has accrued or is sought for by the concerned party.

22. Thus, it cannot be said that sub-section 4A of Section 17 was sought to be brought in by way of an exception to the general rule of Section 17. Had the legislature intended otherwise, it would have specifically, in its wisdom, made sub- section 4A an exception to sub-section (1) by adding a proviso or by making a specific provision thereto under Section 3, where the Act itself provides some exemptions and provides for specific cases where the Act is not applicable. The fact that the West Bengal State legislature did not, even after insertion of sub-section 4A, amend or modify Rule 8 of the West Bengal Premises Tenancy Rules, 1999 which prescribes the manner of making applications under Section 17 for fixation of fair rent also fortifies the fact that the State legislature did not intend to incorporate sub-section 4A as an exception to sub-section (1) of Section 17. On the contrary, the non-amendment of Rule 8 goes on to show that the legislature intended the same procedure to be followed with regard to making an application under any provision of Section 17 for the fixation of fair rent.

23. Thus, in light of the discussion made above, we are of the considered opinion that this appeal is liable to be dismissed, which we hereby do. The parties are left to bear their own costs.

[1] *(2005) 2 SCC 409*
[2] *2009 (10) SCALE 416*
[3] *(2009) 3 SCC 553*
[4] *(1976) 3 SCC 190*