

STATE OF PUNJAB V. GURDIAL SINGH

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do not find any substance in this appeal because the High Court has clearly found that they had no clear knowledge of the conspiracy and even the approver has made number of inconsistent statements regarding participation of the acquitted respondents in the conspiracy. For these reasons, we fully agree with the order of the High Court acquitting respondents. The appeal filed by the State is also therefore dismissed.

(1980) 2 Supreme Court Cases 471

(BEFORE V. R. KRISHNA IYER AND R. S. PATHAK, JJ.)

STATE OF PUNJAB AND ANOTHER .. Petitioners ;

Versus

GURDIAL SINGH AND OTHERS .. Respondents.

Special Leave Petition (Civil) No. 1207 of 1978†, decided on October 25, 1979

Administrative Law — Mala fides — Concept of

Land Acquisition Act, 1894 — Sections 17, 4 and 6 — Notifications under, issued with a motive extraneous to the statutory object of requiring the land for public purpose, held, mala fide and illegal

Land Acquisition Act, 1894 — Section 17 — Emergency power under, when can be invoked

Constitution of India — Articles 136 and 226 — Ordinarily Supreme Court does not interfere with the findings of the courts below — Finding on question of mala fide upheld

Practice and Procedure — Affidavit — Minister, against whom mala fides alleged, not appearing before court despite reminders — Nor concerned officers, having specific knowledge of the case, deposing — Instead counter-affidavit filed on behalf of the State and verified by its deponent to the best of his knowledge and belief as derived from record — Held, allegation of mala fides to be accepted

Administrative Law — Natural Justice — Mala fides — Constitution of India — Article 226

Land Acquisition Act, 1894 — Sections 4 and 6 — Court held,, cannot interfere with the choice of land to be acquired for the stated public purpose unless shown to be mala fide or otherwise void (Para 8)

A piece of land having been selected as the best suitable place for building a Mandi, notification under Section 4 and declaration under Section 6 of the Land Acquisition Act were issued and even foundation stone of the building was laid. But the very next year the proceedings were denotified and instead notifications for acquiring the land of respondents 1 to 21 were issued. Aggrieved respondents approached the High Court alleging mala fides on the ground that the fresh notifications were issued as a result of influence wielded by a Minister (respondent 22) who was related to the owner of the land which was initially sought to be acquired. The High Court impeached the impugned notifications on ground of mala fides. But after several years, the State once again sought to acquire the land of respondents 1 to 21 by invoking emergency

†From the Judgment and Order dated July 28, 1977 of the Punjab and Haryana High Court in Civil Writ No. 1457 of 1977

powers under Section 17 of the Act and the High Court for the second time struck down the State action. The State then petitioned under Article 136. Since respondent 22 did not enter appearance despite service of notice, the Supreme Court gave him a fresh chance to deny the allegations made against him but he did not respond. However, a counter-affidavit was filed on behalf of the State and the Extra Assistant Colonization Officer, but the material portion of the counter-affidavit had been verified by its deponent "to the best of my knowledge and belief as derived from official record". Dismissing the special leave petition the Supreme Court

Held :

Per Krishna Iyer, J.

(1) Legal malice must be clearly separated from the popular concept of personal vice. If the use of the power is for the fulfilment of a legitimate object the actuation or catalysation by malice is not legicidal. Bad faith, which invalidates the exercise of power, is the attainment of ends beyond the sanctioned purposes of power by simulation or pretention of gaining a legitimate goal. Court calls it a colourable exercise of power. The action is bad where the true object is to reach an end different from the one for which the power is entrusted, goaded by extraneous considerations, good or bad, but irrelevant to the entrustment. (Para 9)

Fraud on power voids the order if it is not exercised bona fide for the end designed. Fraud in this context is not equal to moral turpitude and embraces all cases in which the action impugned is to effect some object which is beyond the purpose and intent of the power, whether this be malice laden or even benign. If the purpose is corrupt the resultant act is bad. If considerations, foreign to the scope of the power or extraneous to the statute, enter the verdict or impel the action, mala fides or fraud on power vitiates the acquisition or other official act. (Para 9)

Where one of the requisites of Sections 4 or 6, viz., that the particular land is needed for the public purpose in view, is shown to be not the goal pursued but the private satisfaction of wreaking vengeance, if the moving consideration in the selection of the land is an extraneous one, the law is derailed and the exercise is bad. If the real object is the illegitimate one of taking away the lands of the respondents 1 to 21 to vent the hostility of respondent 22, under the mask of acquisition for the Mandi, then the State action is mala fide. (Para 10)

(2) Compulsory taking of a man's property is a serious matter and the smaller the man the more serious the matter. Hearing him before depriving him is both reasonable and pre-emptive of arbitrariness, and denial of this administrative fairness is constitutional anathema except for good reasons. Save in real urgency where public interest does not brook even the minimum time needed to give a hearing land acquisition authorities should not, having regard to Articles 14 (and 19), burke an enquiry under Section 17 of the Act. Here a slumbering process, pending for years and suddenly exciting itself into immediate forcible taking, makes a travesty of emergency power. The indefensible resort to Section 17 is evidence of the length to which the executive would go to come to terms with men wielding political power. (Paras 15 and 16)

(3) The Supreme Court does not upset a factual finding unless it is upset by perverse assessment, absence of evidence and the like. In the present case no reason exists for the court to grant leave in the case where factually

the High Court has found improper attempt to take a citizen's land. Without, however, recording any positive finding on this aspect, it is sufficient to hold that no ground for grant of leave has been made out. (Paras 11 and 15)

Per Pathak, J.

Whether or not the deliberations were effected by the influence or pressure of respondent 22 is a matter to which the officials or members selecting the land could alone be privy. In the absence of any denial of the allegations made by respondents 1 to 21 in the writ petition by a person having personal and direct knowledge in the matter, and having regard to the entire history of the case, it is difficult to resist the conclusion that the averments in the writ petition alleging mala fides must be accepted. (Para 21)

Special leave petition dismissed

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Advocates who appeared in this case.

Hardu Singh, Advocate, for the Petitioners,

S. K. Sabharwal and Subhash Sharma, Advocates, for the Respondents.

The Orders of the Court were delivered by

Krishna Iyer, J.—Every meritless petition for special leave commits a double sin and here we are scandalized that the sinner is the State itself. When thousands of humble litigants are waiting in the queue hungry for justice and the docket-logged court is desperately wading through the rising flood, every 'lawless' cause brought recklessly before it is a dubious gamble which blocks the better ones from getting speedy remedy. Here is an instance.

2. If — this is a big 'if' — I assume some of the uncontradicted statements in the counter-affidavit and writ petition to be true, read in the light of the High Court's decision against the government twice over that its action was mala fide and void, this disturbing petition, by the State of Punjab for leave to appeal, which I now dismiss, lays bare the basics of Power pathology and judicial philosophy in the unhappy setting of personal vendetta fuelling the politics of compulsory land acquisition. Prof. Miller's assertion that the Supreme Court acting as the national conscience of the . . . people' does mandate 'standards towards which public and private behaviour must gravitate, is as true in our jurisdiction as in his country.

3. The factual matrix, enough to unfold why the High Court twice condemned the State's action in a case of land acquisition as mala fide and why we endorse so that view, must be stated. The order under appeal is brief but there is more than meets the credulous eye beneath the verbal surface available in the affidavits. The vice of misuse of power centred round one Sri Satnam Singh Bajwa, respondent 22, a former minister, a quondam M.L.A., and a continuous politician. The 'writ-petitioners' (respondents 1 to 21 before us) seek to crucify him as the malefic presence prodding the impugned acquisition. Since he did not enter appearance, despite service of notice, we felt that a fresh chance or reminder should be afforded to him to deny, if he so desired, the sinister imputations made against him. The benefit of presumption of good faith belongs to every man, until rebutted. Fresh notice was directed and effected to the extent feasible but he did not respond and we leave it at that. We proceeded to hear the case after a few adjournments.

4. We must highlight the fact that Sri Har Dev Singh appearing for the State, struck a refreshing note of forensic propriety in dissociating himself from supporting State action if there be any, which, in the court's view was smeared with bad faith and argued that, for his part, the officers appear to have exercised power on the advice of the State's legal remembrancer without ill-will or affection. Counsel in court are 'robed' representatives, within the parameters of the adversary system, geared to the higher cause of justice, not amoral attorneys paid to ventriloquize the case of the principal. We cannot dismiss truth in paper-logged impatience but must try, with counsel's services, to discover the justice of the cause. So we proceed to the facts.

5. Punjab, the pride of the green revolution, is a great agricultural State and, naturally, grain markets are a developmental imperative. The whole litigation is about a piece of land sought to be taken by the State to build a new mandi. Way back in 1962, a site apparently best suited was selected in Qadian and the then Chief Minister, Pratap Singh Kairon laid the foundation stone, and a few poles erected there bear witness to this old ceremony. Notification under Section 4 and declaration under Section 6 were reportedly issued ten years ago (1969). But the very next year the proceedings were denotified and in 1971 the land of respondents 1 to 21 were notified. In Punjab, a province of peasant prosperity and private ownership, land is held dear even to the point of murder, and tragic factions fester round agriculture. Naturally, the land-owners resisted and successfully impeached the acquisition on the ground of mala fides before the High Court. This order of the court, surprisingly enough, proceeded on the admitted mala fides of the State and should have liberated this innocent piece of land from litigative laceration. But, after a long interval, the State chased the same land and rushed through acquisition proceedings a second time invoking emergency powers under Section 17 of the Land Acquisition Act. This too was assailed before the High Court on the ground of perversion of State power to satisfy the malefic appetite of a particular person, not the legitimate statutory purpose. Struck down again by the High Court, the State was chagrined and, perhaps, encouraged by the fact that the High Court dropped contempt proceedings, and jurisdiction under Article 136 has been invoked by the Government of Punjab.

6. I have had the benefit of reading my learned brother's concise judgment. The reasons given there have my broad agreement.

7. Four issues may be formulated to focus specific attention :

1. What is mala fides in the province of exercise of power ?
2. Is the acquisition proceeding in the instant case bad for bad faith ?
3. Where, in the setting of Section 17 of the Act, do we draw the legal line between legitimate emergency power and illegitimate 'emergency excess' ?
4. On the facts here, do we bastardise or legitimize the State action under challenge ?

8. First, what are the facts ? A grain market was the public purpose for which government wanted land to be acquired. Perfectly valid. Which land was to be taken ? This power to select is left to the responsible discretion of government under the Act, subject to Articles 14, 19 and 31 (then).

The court is handcuffed in this jurisdiction and cannot raise its hand against what it thinks is a foolish choice. Wisdom in administrative action is the property of the executive and judicial circumspection keeps the court lock-jawed save where power has been polluted by oblique ends or is otherwise void on well established grounds. The constitutional balance cannot be upset.

9. The question, then, is what is mala fides in the jurisprudence of power? Legal malice is gibberish unless juristic clarity keeps it separate from the popular concept of personal vice. Pithily put, bad faith which invalidates the exercise of power — sometimes called colourable exercise or fraud on power and oftentimes overlaps motives, passions and satisfactions — is the attainment of ends beyond the sanctioned purposes of power by simulation or pretension of gaining a legitimate goal. If the use of the power is for the fulfilment of a legitimate object the actuation or catalysation by malice is not legicidal. The action is bad where the true object is to reach an end different from the one for which the power is entrusted, goaded by extraneous considerations, good or bad, but irrelevant to the entrustment. When the custodian of power is influenced in its exercise by considerations outside those for promotion of which the power is vested the court calls it a colourable exercise and is undeceived by illusion. In a broad, blurred sense, Benjamin Disraeli was not off the mark even in law when he stated: “I repeat . . . that all power is a trust — that we are accountable for its exercise — that, from the people, and for the people, all springs, and all must exist”. Fraud on power voids the order if it is not exercised bona fide for the end designed. Fraud in this context is not equal to moral turpitude and embraces all cases in which the action impugned is to effect some object which is beyond the purpose and intent of the power, whether this be malice-laden or even benign. If the purpose is corrupt the resultant act is bad. If considerations, foreign to the scope of the power or extraneous to the statute, enter the verdict or impel the action, mala fides or fraud on power vitiates the acquisition or other official act.

10. By these canons it is easy to hold that where one of the requisites of Sections 4 or 6, viz., that the **particular land is needed** for the public purpose in view, is shown to be not the goal pursued but the private satisfaction of wreaking vengeance, if the moving consideration in the selection of the land is an extraneous one, the law is derailed and the exercise is bad. Not that this land is needed for the mandi, in the judgment of government, but that the mandi need is hijacked to reach the private destination of depriving an enemy of his land through back-seat driving of the statutory engine! To reach this conclusion, there is a big ‘if’ to be proved — if the real object is the illegitimate one of taking away the lands of respondents 1 to 21 to vent the hostility of respondent 22. under the mask of acquisition for the mandi.

11. This is a question of fact and the High Court, twice over, within a period of seven years, held so, although the second time no specific finding of mala fides was made. I do not quite see how else the acquisition can fail and infer, not res judicata nor contempt of court but repetition of mala fide acquisition as the real ground behind the High Court’s holding. This Court does not upset a factual finding unless it is upset by perverse assessment, absence of evidence and the like. None such exists and I concur.

But what have respondents 1 to 21 made out? When power runs haywire under statutory cover, more needs to be said to make good the exposure. This takes me to a projection, in detail, on the screen of time, of the alleged politicking behind the taking of property challenged in this case.

12. We assume the facts stated in the counter-affidavits, to the extent not expressly denied, especially because respondent 22, Shri Bajwa, has not cared to contradict the turpitude imputed to him, which is unfortunate. We draw tentative conclusions based on the averments without the advantage of the affected party's response.

13. Long ago in 1962, a site was chosen for a new grain market and the then Chief Minister, Shri Kairon, laid the foundation stone, and some surviving poles bear testimony to this ancient ritual. This spot belonged to a cousin of Shri Bajwa and was eventually abandoned in favour of the lands of respondents 1 to 21. This venture of 1971 was shot down by judicial fire triggered by the admitted ground of mala fides. Years rolled by but malice died hard, if egged on by political scramble. So much so, the same lands were again acquired in 1977, dispensing with so much as a statutory enquiry, undeterred by the earlier decision of the High Court. The respondents again assailed the acquisition as fuelled wholly by vendetta. The High Court struck down the declaration over again and here we are with an application for leave to appeal against the adverse order.

14. We cannot appreciate the unusual step of quashing the acquisition twice over by the High Court on the rare score of fraud on power unless we are instructed in the bitter longevity of election hostility and the gentle genuflexion of administrative echelons when political bosses express their wishes.

15. The version of the contesting respondents is that two political factions go into action in all elections in Qadian, led by respondent 22, Satnam Singh Bajwa on the one hand, and his rival Gurbachan Singh Bajwa, supported by the other respondents, on the other. Party labels, where poll politics are personal, are less than borrowed apparel. Satnam ran Congress and won a seat in the Punjab Assembly in 1962 in the teeth of hot contest by Gurbachan and the respondents. This election had its impact on the mandi acquisition. The site where the foundation stone had been laid belonged to Satnam's cousin and this was the best of the four alternatives selected by the Site Selection Board, the least suitable, in their opinion, being of the respondents 1 to 21. But should an M.L.A. oblige his cousin and crush his rival, according to poll dharma? We cannot answer but here Satnam's 'influence' postponed acquisition proceedings, notwithstanding the ceremonial stone. In 1967, again, elections came and Satnam won on the Congress ticket. But when the Akali Party formed the government Satnam decided to serve the people as Minister and for that purpose transferred his politics from Congress to Akali. This ensured the safety of the cousin's land from the mandi peril. The Akali Government fell in 1969 but he fought as Akali, won the seat and became 'Forest Minister'. The respondents, all the time, resisted him in vain. When 'President's Rule' came, statutory notifications were issued for acquisition of the first site. The mandi project remained frozen till then and showed signs of life during the short-lived President's Rule, only to be given up in 1970 when Satnam became State Minister of Panchayat and Development. He

struck when the iron was hot by constituting a Selection Board and appointing himself President thereof. The choice was made of the site which was allegedly the least suitable. Thus the axe fell on respondents 1 to 21 and lest the take-over be delayed, even the Section 5-A enquiry was scuttled by invoking the emergency power under Section 17. At times, natural justice is the natural enemy of intolerant authority. Therefore, the judicial process, under Article 226, invalidated the acquisition on the ground of mala fides. Back as an M.L.A. in 1972 Satnam nurtured the faction politics, and there is reference in the writ petition to a murder and other official interferences which do not directly concern the case. He was detained and paroled, and the contestants swear that by political influence and use of relationship he revived the same acquisition once quashed by the High Court. We skip many allegations of vice, of pressure, of defection as drawing redherring across the trial. But the crux of the matter is that uncontradicted aspersions on Satnam having pressured the political government to seize the contestants' land goes a long way to affirm the High Court's view, in the background of the long chronicle we have set out. The indefensible resort to Section 17 is evidence of the length to which the executive would go to come to terms with men wielding political power. No reason exists for us to grant leave in the case where factually the High Court has found improper attempt to take a citizen's land. We need not record any positive finding. It is sufficient to state that no ground to grant leave has been made out.

16. The fourth point about the use of emergency power is well taken. Without referring to supportive case-law, it is fundamental that compulsory taking of a man's property is a serious matter and the smaller the man the more serious the matter. Hearing him before depriving him is both reasonable and pre-emptive of arbitrariness, and denial of this administrative fairness is constitutional anathema except for good reasons. Save in real urgency where public interest does not brook even the minimum time needed to give a hearing land acquisition authorities should not, having regard to Articles 14 (and 19), burke an enquiry under Section 17 of the Act. Here a slumbering process, pending for years and suddenly exciting itself into immediate forcible taking, makes a travesty of emergency power.

17. No constituency in our poor country can afford Kilkenny cat politics and personality cult.

18. I dismiss the State's petition.

Pathak, J. (concurring)—I agree that the petition should be dismissed.

20. The original acquisition proceeding in respect of the land belonging to respondents 1 to 21 was quashed by the High Court under Article 226 of the Constitution on the finding that the action was vitiated by mala fides. A fresh attempt at acquiring the land was assailed by the said respondents and has been struck down by the High Court. The petitioners now pray for special leave to appeal.

21. On a conspectus of the material on the record it does seem that the impugned acquisition proceeding cannot be sustained. There is reason

to believe that the statutory power to acquire land has been misused to satisfy the personal ends of respondent 22, an individual who appears to be not without considerable political influence. Despite an opportunity afforded to controvert the allegations made by the respondents 1 to 21, no attempt has been made by him to contradict the allegations. A counter-affidavit has been filed in this Court on behalf of the petitioners, the State of Punjab and the Extra Assistant Colonization Officer, but the material portion of the counter-affidavit has been verified by its deponent "to the best of my knowledge and belief as derived from official record". The land belonging to respondents 1 to 21 was selected by a body described as the Site Selection Board. There was also a new Mandi Control Board. The deponent of the counter-affidavit was not a member of either Board. He was not a participant in the deliberations which are said to have led to the selection of the land belonging to the said respondents. Whether or not the deliberations were effected by the influence or pressure of respondent 22 is a matter to which the officials or members selecting the land could alone be privy. In the absence of any denial of the allegations made by respondents 1 to 21 in the writ petition by a person having personal and direct knowledge in the matter, and having regard to the entire history of the case, it is difficult to resist the conclusion that the averments in the writ petition alleging mala fides must be accepted.

22. The petition is dismissed.

(1980) 2 Supreme Court Cases 478

(BEFORE Y. V. CHANDRAGHUD, C. J. AND S. MURTAZA FAZAL ALI
AND P. S. KAILASAM, JJ.)

ALL SAINTS HIGH SCHOOL, HYDERABAD AND
OTHERS .. Appellants ;
Versus
GOVERNMENT OF ANDHRA PRADESH AND
OTHERS .. Respondents.

Civil Appeals Nos. 1280, 1279, 1327-1330 of 1978 and 35 of 1979†,
decided on February 4, 1980

Constitution of India — Article 30(1) — A. P. Recognised Private Educational Institutions (Control) Act (11 of 1975) — Constitutionality — Whether its provisions interfere with the right of petitioners to administer the affairs of their minority educational institutions — Held, Sections 3(1) and (2), 4 and 5 in their application to minority institutions infringe Article 30(1) and hence not applicable to such institutions — Sections 3(3)(a) and (b), 6 and 7 are, however, valid

The appellants are minority institutions established by the Christian community who challenged under Article 30(1) the provisions of the impugned statute before the High Court by a petition under Article 226. None of the appellant institutions were receiving any substantial aid from the government but had been established and running on their own resources. These institutions were not entitled to any grant of aid by virtue of the express provisions of the Constitution.

† Appeals by Special Leave from the Judgment and Order dated August 2, 1978 of the Andhra Pradesh High Court in Writ Petitions Nos. 718, 5505, 3618 5506, 5518 of 1975 and 604 of 1978 and 4834 of 1975