

A IBRAHIMPATNAM TALUK VYAVASAYA COOLIE SANGHAM

v

K. SURESH REDDY AND ORS.

AUGUST 19, 2003

B [SHIVARAJ V. PATIL AND D.M. DHARMADHIKARI, JJ.]

*Land Laws:*

C *Andhra Pradesh (Telangana Area) Tenancy and Agricultural Land Act, 1980 and Amendments made thereunder; Section 50(B)(4): Alienation/Transfer of agricultural land in excess of land ceiling—Cancellation of sale validation certificate on the ground of discovery of fraud— Suo Motu revisional powers— Exercise of by the Collector/Authority—Reasonable time period—Held: Such power could be exercised by the Collector reckoning from a particular date advisedly and contextually—Exercise of such power depends upon facts and circumstances of the case—Could be exercised within a reasonable time from discovery of the fraud—High Court rightly held valid the validation certificate and in not examining the question of fraud in the absence of necessary and sufficient pleading—Since transferee already filed declaration showing the transferred land as their holding and Land ceiling authorities passed orders thereon, it is not appropriate to interfere with Orders which have become final long back—Interpretation of Statutes—Land Ceiling Act, 1970.*

*Words and Phrases:*

F *'At any time'—Meaning of in the context of Section 50(B)(4) of the Andhra Pradesh (Telengana Area) Tenancy and Agricultural Land Act.*

The issue which arose in these appeals was whether Collector can exercise *suo-motu* power at any time or within a reasonable time under Section 50(B)(4) of the Andhra Pradesh (Telengana Area) Tenancy and Agricultural Land Act.

G It was contended for the appellants that since the period of limitation for exercise of power by the Collector under Section 50(B)(4) of the Act was not prescribed, exercise of such power by the Collector even after lapse of several years was justified; that Tehsildar did not follow proper procedure

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while issuing validation certificates; and that the validation certificates were obtained by the respondents fraudulently to defeat the provisions of the Land Ceiling Act. A

On behalf of the respondents, it was submitted that suo-motu power ought to be exercised within a reasonable time; that suo-motu exercise of power by the authority after a lapse of several years was arbitrary, illegal and would affect the rights of parties adversely; that uncertainty could not be allowed to prevail indefinitely; and that the plea of committing fraud in obtaining validation certificate by the respondents was not raised before the High Court. B

Disposing of the appeals, the Court C

**HELD: 1.1.** In the absence of necessary and sufficient pleading as regards fraud, Single Judge and Division Bench of the High Court were right in not examining the question of fraud alleged to have been committed by the non-official respondents. Use of the words “at any time” in sub-section (4) of Section 50-B of the Andhra Pradesh (Telengana Area) Tenancy and Agricultural Land Act only indicates that no specific period of limitation is prescribed within which suo-motu power could be exercised reckoning or starting from a particular date advisedly and contextually. Exercise of suo-motu power depends on the facts and circumstances of each case. In cases of fraud, this power could be exercised within a reasonable time from the date of detection or discovery of fraud. While exercising such power, several factors need to be kept in mind such as effect on the rights of the third parties over the immovable property due to passage of considerable time, change of hands by subsequent bonafide transfers, the orders attaining finality under the provisions of Land Ceiling Act. [708-A-D] D E

1.2. The suo-motu power could be exercised within a reasonable period from the date of discovery of fraud depending on facts and circumstances of each case in the context of the statute and nature of rights of parties. Use of the words “at any time” in sub-section (4) of Section 50-B of the Act cannot be rigidly read by letter but must be read and construed contextually and reasonably. If one has to simply proceed on the basis of dictionary meaning of words “at any time”, the suo-motu power could be exercised even after decades and then it would lead to anomalous position leading to uncertainty and complications seriously affecting the rights of the parties, that too, over immovable properties. Orders attaining finality and certainty of the rights of the parties accrued in the light of the orders passed must have sanctity. Exercise of suo-motu power “at any time” only means that no specific period F G H

**A** is prescribed reckoning from a particular date. But that does not mean that it should be unguided and arbitrary. The Division Bench of the High Court was right in affirming the view of the Single Judge that the suo-motu power under sub-section (4) of Section 50-B of the Act has to be exercised within a reasonable time. [708-D, E, F, G; 709-G, H]

**B** *D. Saibaba v. Bar Council of India and Anr.*, [2003] 6 SCC 186, relied on.

*Principles of Statutory Interpretation, 8th Edn. 2001 by Justice G.B. Singh*, referred to.

**C** 1.3. The High Court rightly held that the certificates issued by the Tehsildar were valid and the order of the Joint Collector cancelling the validation certificates in exercise of suo-motu power after several years and not within a reasonable period was not correct in law. The Land Ceiling Act having come into force, the authorities should have made inquiries and efforts so as to exercise suo-motu power within reasonable time. Hence, the High Court rightly held that the order of the Joint Collector cancelling validation certificates could not be sustained. [712-C, E, F]

**D** 1.4. In the instant case, the respondents filed returns before the ceiling authorities under the Ceiling Act, showing these lands as their holdings and that the plea had been upheld. Unsettling such position may mean even reopening the ceiling proceedings which must have become final long time back. [712-G]

**E** 1.5. The appellant is a society of agricultural labourers and their interest is that if the validation certificates are set aside, the non-official respondents will have to surrender excess land held by them and in that event they would apply for assignment of the lands to the Government and they have a chance of the land to be assigned to them. It is thus clear that the interest of the appellant is remote. Hence, in the light of the findings of fact recorded by Single Judge based on material placed on record and supported by cogent reasons, there exists no valid reason or good ground to interfere with the impugned order. [713-C, D]

**F** CIVIL APPELLATE JURISDICTION : Civil Appeal Nos. 10787-10795 of 1996.

**G** From the Judgment and Order dated 16.1.96 of the Andhra Pradesh High Court in W.A.Nos. 929, 1230, 1298, 1299, 1301, 1332, 1337, 1507 and 1508 of

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1993.

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C.A.Nos. 6504/2003, 1891 and 1892 of 1998.

Navin Prakash, Gopal Singh, P. Niroop, R. Chandrashekhar Reddy, Hari Shankar and K.P. Vittal Rao for the Appellant.

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Ms. K. Amareshwari, P. Venkat Reddy, G. Venkatesh for N. Sudhakaran, T.V. Ratnam, K. Maruthi Rao and Ms. K. Radha for Ms. S. Usha Reddy for the Respondents.

The Judgment of the Court was delivered by

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**SHIVARAJ V. PATIL J.**

*Civil Appeal Nos. 10787-10795 of 1996 :*

In all these appeals, the following question of law arises for consideration:-

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“Whether Collector can exercise suo-motu power under sub-section (4) of Section 50-B of Andhra Pradesh (Telangana Area) Tenancy and Agricultural Land Act, 1950 *at any time* or such power is to be exercised within a reasonable time.”

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Broadly stated, the facts leading to filing of these appeals are the following:-

Various sale deeds were executed by owners of the lands in favour of different persons on plain papers. Pursuant to said deeds, possession of lands was also delivered to the vendees. Parties to the sale deeds filed applications under Section 50-B of the Andhra Pradesh (Telangana Area) Tenancy and Agricultural Land Act, 1950 (for short ‘the Act’) for validation of sales. Concerned Tahsildar issued validation certificates on various dates. Orders of Tahsildar issuing validation certificates were challenged in appeals filed by Special Tahsildar and Authorised Officer (Land Reforms) before the Joint Collector of the District but those appeals were dismissed in 1988. Thereafter, the Joint Collector issued show-cause notices purporting to exercise suo-motu power under sub-section (4) of Section 50-B of the Act to the vendors and the vendees to show cause as to why validation certificates

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A issued in 1974 or earlier should not be cancelled. After considering the objections filed in response to the show cause notices, Joint Collector of Rangareddy District set aside the validation certificates in 1989. Challenging these orders of Joint Collector, some of the parties filed revision petitions and some of them filed writ petitions before the High Court. Learned Single Judge of the High Court, after hearing the parties, allowed the revision petitions as well as writ petitions and set aside the orders passed by the Joint Collector passed in exercise of his suo-motu jurisdiction under Section 50-B(4) of the Act, taking a view that the suo-motu power of revision under sub-section (4) of Section 50-B of the Act should have been exercised within reasonable period although the said sub-section says that suo-motu power could be exercised at any time. In that view, he held that the Joint Collector was not correct in law in canceling the validation certificates issued by the Tahsildar. Before the learned Single Judge, Ibrahim Patnam Taluk Vyavasaya Coolie Sangham, the appellant in all these appeals, got impleaded as one of the respondents. It appears that on the complaint/information given by the appellant, the Joint Collector initiated proceedings under Section 50-B(4) invoking suo-motu power. The appellant in all these appeals aggrieved by and not satisfied with, filed writ appeals before the Division Bench of the High Court. The Division Bench of the High Court dismissed the writ appeals except Writ Appeal No. 1300 of 1993, concurring with the view taken by the learned Single Judge. As far as Appeal No. 1300 of 1993 was concerned, the Division Bench set aside the validation certificate as some discrepancy was found as to the date of application for issuance of the validation certificate and the date of sale. It was contended that some fraud was played. Since the parties did not produce documents, the Division Bench set aside the validation certificate and permitted the respondent in the appeal to present before the Joint Collector a representation within two months. Under these circumstances, the appellants are in appeal before this Court challenging the validity and correctness of the common order passed by the Division Bench of the High Court affirming the order of the learned Single Judge.

It would be useful to see the relevant provisions of the Act in order to appreciate the respective contentions advanced on behalf of the parties. Section 50-B of the Act reads:-

*"50-B. Validation of certain alienations and other transfer of Agricultural lands:-*

(1) Notwithstanding anything contained in this Chapter, where any alienation or other transfer of agricultural land took place-

- (a) on or after the 10th June, 1950, but before the date of coming into force of the Andhra Pradesh Ceiling on Agricultural Holdings Act, 1961 and where possession of such land was given to the alienee or transferee before such date of coming into force; and A
- (b) on or after the coming into force of the Andhra Pradesh Ceiling on Agricultural Holdings Act, 1961, but before the date of the commencement of the Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands (Third Amendment) Act, 1969 and where possession of such land was given to the alienee or transferee before such commencement and such alienation or transfer is not inconsistent with the provisions of the Andhra Pradesh Ceiling on Agricultural Holdings Act, 1961; B  
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the alienee or transferee may, within such period as may be prescribed, apply to the Tahsildar for a certificate declaring that such alienation or transfer is valid.

(2) On receipt of such application, the Tahsildar shall after making such enquiry as may be prescribed and after satisfying himself that the consideration, if any, payable to the alienor or the transferor has been paid or has been deposited within such time and in such manner as may be prescribed, require the alienee or the transferee to deposit in the office of the Tahsildar an amount equal to the registration fees and the stamp duty that would have been payable had the alienation or transfer been effected by a registered document in accordance with the provisions of the Indian Registration Act, 1908. On the deposit of such amount, the Tahsildar shall issue a certificate to the alienee or the transferee declaring that the alienation or transfer is valid and such certificate shall, notwithstanding anything in the Indian Registration Act, 1908, be conclusive evidence of such alienation or transfer as against the alienor or transferor or any person claiming interest under him. D  
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Provided that where an alienation or transfer has been effected by a registered document, the Tahsildar shall adjust the amount paid by the alienee or transferee as registration fee and the stamp duty towards the amount required to be deposited under this sub-section; and if the amount so paid by the alienee or transferee is less than the amount required to be deposited by him, the Tahsildar shall require him to deposit the balance.” G  
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A (3) The validation of any alienation or transfer of any land under sub-section (2) shall not affect the right accrued to any person under Section 37-A or Section 38 or Section 38-E.

B (4) The Collector may, suo-motu at any time, call for and examine the record relating to any certificate issued or proceedings taken by the Tahsildar under this section for the purpose of satisfying himself as to the legality or propriety of such certificate or as the regularity of such proceedings and pass such order in relation thereto as he may think fit:

C Provided that no order adversely affecting any person shall be passed under this sub-section unless such person has had an opportunity of making his representation thereto.”

D Section 50-B of the Act was inserted by Act No. 6 of 1964. Subsequently, sub-section (4) of Section 50-B was inserted by Act No. II of 1979. The Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973 came into force on 1.1.1975. The Andhra Pradesh Agricultural Lands (Prohibition and Alienation) Act, 1972 is deemed to have come into force on 22.5.1972. There was prohibition of alienation of holding under the said Act. As per Section 5, no person who was holding as on the date of commencement of the said Act or at any time thereafter exceeded the specified limit shall alienate such holding or any part thereof and any transfer made in contravention of the said Section shall be null and void. Section 50-B was inserted in the Act by A.P. (Telangana Area) Tenancy and Agricultural Lands (Amendment) Act, 1964 (Act VI of 1964). In Section 50-B, there were three sub-sections. Under Section 50-B(1) notwithstanding anything contained in Chapter V of the Act where any alienation or other transfer of agricultural land took place on or after 10.6.1950, but before 21.2.1961, and where possession of such land was given to the alinee or transferee before 21.2.1961, he may, within one year from such date as may be prescribed apply to the Tahsildar for a certificate declaring that such alienation or transfer is valid. This period was extended further from time to time.

G The Statement of Objects and Reasons given in the Bill leading to Act No. VI of 1964 reads:

#### STATEMENT OF OBJECTS AND REASONS

H “Section 47 of the Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands Act, 1950, which is in force in the Telangana Area

of this State as it stood prior to its amendment by the Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands (Amendment) Act, 1959, provided that no permanent alienation or other transfer of agricultural land shall be valid unless it was made with the previous sanction of the Collector. In actual practice, however, the requirement of this section and also sections 48 and 49 had not been complied with, and alienations and transfers had been effected on a considerable scale without the previous permission of the Collector, by means of oral agreement, unregistered documents, etc.

2. In the year 1953, the former Government of Hyderabad undertook land census operations throughout the erstwhile State of Hyderabad. In consonance with the objective of the land census, the names of persons in actual possession of lands were entered in the Land Census records without reference to their lawful title thereto. In the light of the experience gained during the census operations, it was considered that the record prepared for the land census should form the basis for the Record of Rights and that, with a view to ensuring the up-to-date maintenance of the Record of Rights, it should be integrated with the annual (Jamabandi) accounts. For this purpose, the former Government of Hyderabad authorized the preparation of a comprehensive village account, called the "Khasra Pahani Patrak" which was to be an integrated record relating to Land Census, Record of Rights, and the annual Revenue Accounts. The preparation of the record created a mistaken impression in the public that the government recognized the sales that had taken place in contravention of the relevant statutes. Instructions were therefore issued on the 14th May, 1957 to the effect that the Subordinate Revenue Officers might take suo-motu action to omit from the Record of Rights the names of persons who had already been recorded therein as occupants but whose possession was not lawful. Consequent on the issue of these instructions, representations have been received that their implementation would result in great hardship, particularly as the lands in many cases were sold by landlords to tenants, in view of the current and impending Land Reform Measures.

3. Section 12 of the Andhra Pradesh Ceiling on Agricultural Holdings Act, 1961, enacts that no person whose holding is in excess of the ceiling area on the date on which the assent of the President to the Act is first published in the Andhra Pradesh Gazette, namely the 21st

A February, 1961, shall alienate his holding or any part thereof until the requirements specified in that section are fulfilled. The government have therefore decided that alienations or other transfers of agricultural land that took place on or after the 10th June, 1950, (the date on which the Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands Act, 1950, came into force), but before the 21st February 1961, without  
B obtaining the previous sanction of the Collector or the Tahsildar as required under sub-section (1) of section 47 of the said Act, should be validated by the issue of a certificate by the Tahsildar on an application filed before him within one year from the date of coming into effect of the proposed legislation, if possession of such land was  
C given to the alienee or transferee before the 21st February 1961 and if the alienee or the transferee deposits in the office of the Tahsildar an amount equal to the registration fees and the stamp duty that would have been payable had the alienation or transfer been effected by a registered document. It is also proposed to provide that the Tahsildar shall also satisfy himself before the issue of the certificate  
D that the alienee has paid the consideration, if any, payable to the alienor or has deposited the same within such time and in such manner as may be prescribed.”

The learned counsel for the appellants contended that the suo-motu revisional power exercised by the Joint Collector under Sub-section (4) of Section 50-B of the Act was fully justified, in the absence of prescription of period of limitation for the exercise of suo-motu power; such power could be exercised at any time as per the said sub-section; the concept of reasonable time cannot be imported into the said provision; as such the exercise of suo-motu power even after fifteen years by the Joint Collector was valid and  
E justified. The Tehsildar had issued certificates validating the transactions without following proper procedure and he had acted with material irregularity in issuing validation certificates; the validation certificates were obtained by the non-official respondents fraudulently to defeat the provisions of the Land Ceiling Act, 1961.  
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G In opposition, the learned counsel for the non-official respondents strongly contended that the suo- motu power exercised by the Joint Collector after a period of 13-15 years was wholly arbitrary and illegal; even in the absence of prescription of period of limitation under sub-Section (4) of Section 50-B of the Act suo-motu power ought to be exercised within a reasonable  
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time; the use of the words 'at any time' in the said sub-Section must be properly understood and construed, otherwise exercise of such power after lapse of several years, may be after decades, leads to arbitrary exercise of power resulting in serious consequences unsettling the settled positions and may be in some cases affect the rights of third parties; further, uncertainty cannot be allowed to prevail indefinitely. It was further contended that the appellants did not present their case either before the learned Single Judge or before the Division Bench of the High Court on the ground that the non-official respondents had committed fraud in securing validation certificates and as such period of limitation could be reckoned from the date of discovery of fraud. The learned counsel also submitted that the transfers of immoveable properties in question, made prior to 1972, could not be upset when several changes have taken place. In some cases further transfers have taken place; the declarations filed by the holders of the lands under the provisions of the Land Ceiling Act and the orders passed thereon have attained finality. According to the learned counsel, under these circumstances, no fault can be found with the impugned order of the Division Bench of the High Court affirming the order passed by the learned Single Judge.

It is evident from the order of the learned Single Judge that the appellants did not urge that exercise of suo-motu power was justified on account of the fraud committed by the non-official respondents in obtaining the validation certificates and that the power was exercised within reasonable period from date of detection or discovery of fraud. In the light of the contentions made on behalf of the parties the learned Single Judge raised the following two questions for consideration: -

- “(1) Whether exercise of suo-motu power under sub-section 4 of Section 50B of the Act has to be within the reasonable period under the said provision, it can be exercised at any time.
- (2) Whether the order of the Joint Collector canceling the validation certificates, is correct in law.”

Even before the Division Bench of the High Court in the writ appeals, the appellants did not contend that the suo-motu power could be exercised even after long delay of 13-15 years because of the fraudulent acts of the non-official respondents. The focus of attention before the Division Bench was only on the language of sub-Section (4) of Section 50-B of the Act as to whether the suo-motu power could be exercised at any time strictly sticking to the language of that sub-Section or it could be exercised within reasonable

A time. In the absence of necessary and sufficient particulars pleaded as regards fraud and the date or period of discovery of fraud and more so when contention that the suo-motu power could be exercised within a reasonable period from the date of discovery of fraud was not urged, the learned Single Judge as well as the Division Bench of the High Court were right in not examining the question of fraud alleged to have been committed by the non-official respondents.

B Use of the words “at any time” in sub-section (4) of Section 50-B of the Act only indicates that no specific period of limitation is prescribed within which suo-motu power could be exercised reckoning or starting from a particular date advisedly and contextually. Exercise of suo-motu power depended on facts and circumstances of each case. In cases of fraud, this

C power could be exercised within a reasonable time from the date of detection or discovery of fraud. While exercising such power, several factors need to be kept in mind such as effect on the rights of the third parties over the immovable property due to passage of considerable time, change of hands by subsequent *bona fide* transfers, the orders attaining finality under the provisions of other Acts (such as Land Ceiling Act). Hence, it appears

D without stating from what date the period of limitation starts and within what period the suo-motu powers is to be exercised, in sub-section (4) of Section 50-B of the Act, the words “at any time” are used so that the suo-motu power could be exercised within reasonable period from the date of discovery of fraud depending on facts and circumstances of each case in the context of

E the statute and nature of rights of parties. Use of the words “at any time” in sub-section (4) of Section 50-B of the Act cannot be rigidly read letter by letter. It must be read and construed contextually and reasonably. If one has to simply proceed on the basis of dictionary meaning of words “at any time”, the suo-motu power under sub-section (4) of Section 50-B of the Act could be exercised even after decades and then it would lead to anomalous position

F leading to uncertainty and complications seriously affecting the rights of the parties, that too, over immovable properties. Orders attaining finality and certainty of the rights of the parties accrued in the light of the orders passed must have sanctity. Exercise of suo-motu power “at any time” only means that no specific period such as days, months or years are not prescribed reckoning

G from a particular date. But that does not mean that “at any time” should be unguided and arbitrary. In this view, “at any time” must be understood as within a reasonable time depending on the facts and circumstances of each case in the absence of prescribed period of limitation.

This Court in a recent decision in *D. Saibaba v. Bar Council of India and Anr.*, [2003] 6 SCC 186, after referring and quoting passages from Justice

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G.P. Singh's Principles of Statutory Interpretation observed that "Reading word for word and assigning a literal meaning to Section 48-AA would lead to absurdity, futility and to such consequences as Parliament could have never intended. The provision has an ambiguity and is capable of being read in more ways than one. We must, therefore, assign the provision a meaning - and so read it - as would give life to an otherwise lifeless letter and enable the power of review conferred thereby being meaningfully availed and effectively exercised."

In Principles of Statutory Interpretation (8th Edn., 2001), the author has stated thus:-

"It may look somewhat paradoxical that plain meaning rule is not plain and requires some explanation. The rule, that plain words require no construction, starts with the premise that the words are plain, which is itself a conclusion reached after construing the words. It is not possible to decide whether certain words are plain or ambiguous unless they are studied in their context and construed."

The author has stated again as under:-

"In selecting out of different interpretations the court will adopt that which is just, reasonable and sensible rather than that which is none of those things', as it may be presumed 'that the legislature should have used the word in that interpretation which least offends our sense of justice'."

The learned Single Judge has referred to and relied on various decisions including the decisions of this Court as to how the use of the words 'at any time' in sub-Section (4) of Section 50-B of the Act should be understood. In the impugned order the Division Bench of the High Court approves and affirms the decision of the learned Single Judge. Where a statute provides any suo-motu power of revision without prescribing any period of limitation, the power must be exercised within a reasonable time and what is 'reasonable time' has to be determined on the facts of each case.

In the light of what is stated above, we are of the view that the Division Bench of the High Court was right in affirming the view of the learned Single Judge of the High Court that the suo-motu power under sub-section (4) of Section 50-B of the Act is to be exercised within a reasonable time.

**A** It is clear from the Statement of Objects and Reasons given in the Bill leading to the Act No. VI of 1964 that as per Section 47 of the Act, as it stood prior to its amendment by the Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands (Amendment) Act, 1959, no permanent alienation or other transfer of agricultural land shall be valid unless it was made with the previous sanction of the Collector. But in practice the requirements of Sections 47, 48 and 49 of the Act had not been followed and alienations and transfers had been effected on a considerable scale without the previous permission of the Collector, by means of oral agreement, unregistered documents, etc. The Government, in the year 1953 undertook land census operations throughout the erstwhile State of Hyderabad. On the basis of the census the names of the persons in actual possession of lands were entered without reference to their lawful title thereto. Preparation of the record on the basis of the census created a mistaken impression in the public that the Government recognized the sales that had taken place in contravention of the relevant statutes. Therefore, instructions were issued on 14.5.1957 that the Subordinate Revenue Officers might take suo-motu action to omit from the records the names of persons, who had already been recorded therein as occupants but whose possession was not lawful. Consequently representations had been received that the implementation of those instructions would result in great hardship, particularly, as the lands in many cases were sold by the landlords to tenants, in view of the current and impending land reform measures. Section 12 of the Andhra Pradesh Ceiling on Agricultural Holding Act, 1961 provided that no person whose holding was in excess of the ceiling area on the date on which the assent of the President to the Act was first published in the Andhra Pradesh Gazette of 21.2.1961 shall alienate his holding or any part thereof until the requirements specified in that Section were fulfilled. Under the circumstances the Government decided that alienation or other transfers of agricultural lands that took place on or after 10.6.1950 but before 21.2.1961, without obtaining the previous sanction of the Collector under Section 47 of the Act should be validated by the issue of a certificate by Tehsildar on an application filed within one year from the date of coming into effect of the proposed Legislation, if possession of such land was given to the alienee or transferee before 21.2.1961 and if the alienee or transferee deposits in the office of the Tehsildar an amount equal to the registration fee and the stamp duty that would have been payable had the alienation or transfer been effected by a registered document.

**H** The learned Single Judge has noticed that in Telangana area of the State there had been in vogue the practice of executing the sale deeds on plain

papers to record the transactions of sale. This fact was even taken note by Act VI of 1964 when Section 50-B was inserted in the Act. This Section originally provided a period of one year for validation of sale deeds, which was later extended to three years by Act 11 of 1965. Again, by Act 12 of 1967 the period was extended to four years and later to six years by Act 19 of 1968. Later by Act No. 12 of 1969 sub-Section (1) was substituted and a proviso was added to sub-Section (2). Sub-Section (4) of the said Section with which we are concerned in these cases was inserted by Act No. 12 of 1979.

The learned Single Judge recorded in his order, "Now coming to the second point, it has already been pointed out above, the period of validation was extended from time to time from 31.3.1972. The Joint Collector recorded a finding of fact that the possession of the land in question was given in 1965, but however held that as the possession was not transferred to the vendee on or before 21.2.1961, and the application for validation was made on 24.3.1972, the validation certificate is illegal. Admittedly the application was made within the extended time. The transaction of sale which was validated, was entered into in 1965 and pursuant to it possession was also given in 1965, as such validation certificate cannot be held to be bad in law. For these reasons the orders questioned in the C.R.Ps and the W.Ps cannot be sustained even on merits."

The Division Bench of the High Court in the impugned order dealing with the second question set out in the order of the learned Single Judge, while confirming the finding observed, thus: -

"So far as the second question is concerned, there is also no scope for interference. Admittedly, the time for filing the applications stood extended till March, 1972 and the applications for validation certificates were made prior to that. It is urged before us that the Joint Collector in his order found the alienations to have been made to defeat the provisions of the Ceiling Act, 1973. The submission is that acceptable since the requirement of Section 50B is that the alienations, to justify cancellation of the validation certificates, must have been made inconsistent with the provisions of the Ceiling Act, 1961. The transactions of sale having taken place in the year 1965 and possession having been handed over then, the respondents could not have purchased the lands and the other respondents could not have sold those lands to defeat the provisions of the Ceiling Act, 1973. It is submitted that because of the provisions of Section 18 of the A.P.

A General Clauses Act, the reference of the Ceiling Act, 1961 in Section 50B should be read as referring to the Ceiling Act, 1973. We are unable to agree to such interpretation and application of Section 18 of the General Clauses Act. When the law specifically says that a certificate should be refused only if the transactions had been made inconsistent with the provisions of the Ceiling Act, 1961 and such

B provision was made in the context of validating sales, which had been effected between the two periods of time stipulated in sub-Section 1(A) and (B) of Section 50B the inconsistency referred to have to be construed as relating to only the Ceiling Act, 1961 and not the Ceiling Act, 1973.”

C From these findings of fact recorded by the learned Single Judge as well as by the Division Bench of the High Court that the certificates issued by the Tehsildar were valid and the order of the Joint Collector canceling the validation certificates was not correct in law, we have good reason to agree with the conclusion arrived at by the High Court on this question.

D It is also necessary to note that *suo-motu* power was sought to be exercised by the Joint Collector after 13-15 years. Section 50-B was amended in the year 1979 by adding sub-Section (4), but no action was taken to invalidate the certificates in exercise of suo-motu power till 1989. There is no convincing explanation as to why the authorities waited for such a long time.

E It appears that sub-Section (4) was added so as to take action where alienations or transfers were made to defeat the provisions of the Land Ceiling Act. The Land Ceiling Act having come into force on 1.1.1975, the authorities should have made inquiries and efforts so as to exercise suo-motu power within reasonable time. The action of the Joint Collector in exercising suo-motu

F power after several years and not within reasonable period and passing orders canceling validation certificates given by Tehsildar, as rightly held by the High Court, could not be sustained.

The non-official respondents have taken stand that they had filed declarations before the Ceiling authorities under the Land Ceiling Act, 1973

G showing the lands in question as their holdings and the orders were passed on such declarations; unsettling such position may mean even reopening the ceiling proceedings, which have become final long back. The Division Bench of the High Court in this regard in the impugned order has observed that “Exercise of such power after 14 to 15 years is *ipso facto* unreasonable. There is absolute no explanation before us as to why though Section 50B was

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amended in the year 1979, the Joint Collector waited till 1989 to invoke the power. Every man has the legitimate expectation of regarding a set of things, or facts which have continued over a period of time, to have become settled so that he can plan his future course of action on the basis of such acceptable situation. Unsettling such facts after long delay upsets not only his entire programme but also affects in the long run the society itself. Even in the present case, the respondents have taken the stand that they filed returns before the ceiling authorities under the Ceiling Act, 1973, showing these lands as their holdings and that such plea had been upheld. Unsettling such position may mean even reopening the ceiling proceedings which must have become final long time back. In that view of the matter, we agree with the observations of the learned Single Judge in that respect.”

The appellant is a society of agricultural labourers and their interest is that if the validation certificates are set aside, the non official respondents will have to surrender excess land held by them and in that event they would apply for assignment of the lands to the Government and they have a chance of the land to be assigned to them. It is thus clear that the interest of the appellant is remote. Hence, it may not be appropriate to interfere with the impugned order passed by the Division Bench of the High Court affirming the order of the learned Single Judge on the facts found. Further, the State or authorities of the State are not in appeal before this Court.

Against the order passed by the Joint Collector canceling the validation certificates issued by the Tehsildar exercising suo-motu power under sub-Section (4) of Section 50B of the Act, some parties filed civil revision petitions and some filed writ petitions before the High Court. The learned Single Judge passed the common order allowing the civil revision petitions and writ petitions setting aside the orders passed by the Joint Collector. The appellant filed Special Leave Petition (C) No. \_\_\_\_\_/1994 (CC No. 27066) before this Court challenging the validity of the orders passed by the learned Single Judge in civil revision petitions. The appellant also filed writ appeals against the very common order of the learned Single Judge before the Division Bench of the High Court, which were dismissed by the impugned order. The special leave petition was dismissed as withdrawn on the ground that the appellant would agitate the matters in the writ appeals, which were pending in the High Court.

Having regard to all aspects that have come to light in these appeals and that too at this length of time, we do not think it appropriate to interfere with the impugned order. Thus we find no merit in these appeals. Consequently,

**A** they are dismissed with no order as to costs.

The Office Report dated 14.7.2003 shows that some of the respondents have died and some of them have not been served with notice but the appellants had not taken necessary steps to bring the LRs on record and to serve the unserved respondents.

**B**

**Civil Appeal No. 6504 of 2003**

**(@ S.L.P. (Civil) No. 16875 of 1996)**

Leave granted.

**C**

The order passed in Civil Appeal Nos. 10787-10795 of 1996 governs this case also. Hence no separate order is needed to be passed in this case. Accordingly it is disposed of. No costs.

**Civil Appeal Nos. 1891 and 1892 of 1998**

**D**

These two appeals are directed against the common order passed by the High Court in two Civil Revision Petitions No. 2722 and 2935 of 1991, one filed by the vendor and the other filed by the vendee. The facts of these cases also are similar to the facts broadly set out in Civil Appeal Nos. 10787-10795 of 1996. Unlike in the other appeals, in these appeals the revision petitions

**E**

filed by the vendors and vendees of the lands in question were dismissed by the High Court affirming the order passed by the Joint Collector exercising the suo-motu power under Section 50-B(4) of the Act. In the order under challenge, learned Single Judge of the High Court, setting out the facts and contentions in sufficient details, held that the order passed by the Joint

**F**

Collector against these appellants was valid and justified. On the question of exercise of suo-motu power within the reasonable time, the High Court found that the suo-motu power could be exercised to take action within reasonable time from the date the fraud was detected or discovered. According to the learned Judge of the High Court, the suo-motu power was exercised by the Joint Collector within a reasonable time from the date of discovering the fraud

**G**

in this case. In the result, the validation certificates issued in favour of the appellants as cancelled by the Joint Collector is affirmed by the High Court.

The learned counsel appearing on either side in their arguments reiterated the submissions that were made before the High Court. Their arguments were similar to the arguments advanced by the learned counsel for the parties in

**H**

Civil Appeal Nos. 10787-10795 of 1996 as regards question of limitation is concerned. A

These appeals stand on a different footing inasmuch as the question of fraud in obtaining the validation certificates and the validity of transfers was specifically raised. The learned Single Judge in the impugned order has taken pains to narrate the facts in sufficient details and has considered the respective contentions advanced on behalf of either side and recorded a finding that the fraud alleged against the appellants was established. The learned Single Judge also referred to the common order passed by the learned Single Judge in Civil Revision Petitions No. 3095, 3096, 3099, 3197, 3198, 3199, 3200, 3203 and 3100 of 1989 and Writ Petition Nos. 13565, 13566, 13567, 13568, 13569 and 13603 of 1989 and as well as the orders passed by the Division Bench in Writ Appeal Nos. 929, 1298, 1299, 1300, 1301, 1332, 1337, 1507 and 1508 of 1993, which are the subject matter of afore-mentioned Civil Appeal Nos. 10787-10795 of 1996. The learned Single Judge has distinguished those cases stating that in these appeals, as noted above, the fraud alleged against the appellants was established and the action was taken exercising suo-motu power within a reasonable time having regard to the facts and circumstances of the case that came to the light. B C D

In the light of these findings of fact recorded by the learned Single Judge based on material placed on record and supported by cogent reasons, we do not find any valid reason or good ground to interfere with the impugned order. Consequently these appeals are liable to be dismissed. Hence they are dismissed. No costs. E

S.K.S.

Appeals disposed of.