THE ENEMY PROPERTY (AMENDMENT AND VALIDATION) BILL, 2016

A BILL

further to amend the Enemy Property Act, 1968 and the Public Premises (Eviction of Unauthorised Occupants) Act, 1971.

Be it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:

1. (1) This Act may be called the Enemy Property (Amendment and Validation) Act, 2016.

2. On and from the date of commencement of the Enemy Property Act, 1968 (hereinafter referred to as the principal Act), in section 2,—

(i) in clause (b),—

(1) for the words “an enemy subject”, the words “an enemy subject including his legal heir and successor whether or not a citizen of India or the citizen of a country which is not an enemy or the enemy, enemy subject or his legal heir and successor who has changed his nationality” shall be substituted and shall always be deemed to have been substituted;
(II) for the words "an enemy firm", the words "an enemy firm, including its succeeding firm whether or not partners or members of such succeeding firm are citizen of India or the citizen of a country which is not an enemy or such firm which has changed its nationality" shall be substituted and shall always be deemed to have been substituted;

(III) for the words "does not include a citizen of India", the words "does not include a citizen of India other than those citizens of India, being the legal heir and successor of the "enemy" or "enemy subject" or "enemy firm" shall be substituted and shall always be deemed to have been substituted;

(IV) the following Explanations shall be inserted and shall always be deemed to have been inserted at the end, namely:

'Explanation 1.—For the purposes of this clause, the expression "does not include a citizen of India" shall exclude and shall always be deemed to have been excluded those citizens of India, who are or have been the legal heir and successor of an "enemy" or an "enemy subject" or an "enemy firm" which or who has ceased to be an enemy due to death, extinction, winding up of business or change of nationality or that the legal heir and successor is a citizen of India or the citizen of a country which is not an enemy.

Explanation 2.—For the purposes of this clause, it is hereby clarified that nothing contained in this Act shall affect any right of the legal heir and successor referred to in this clause (not being inconsistent to the provisions of this Act) which have been conferred upon him under any law for the time being in force.';

(ii) in clause (c), in the proviso,—

(I) after the words "dies in the territories to which this Act extends", the words "or dies in any territory outside India" shall be inserted and shall always be deemed to have been inserted;

(II) the following Explanations shall be inserted and shall always be deemed to have been inserted at the end, namely:

'Explanation 1.— For the purposes of this clause, it is hereby clarified that "enemy property" shall, notwithstanding that the enemy or the enemy subject or the enemy firm has ceased to be an enemy due to death, extinction, winding up of business or change of nationality or that the legal heir and successor is a citizen of India or the citizen of a country which is not an enemy, continue to remain, save as otherwise provided in this Act, vested in the Custodian.

Explanation 2.—For the purposes of this clause, the expression "enemy property" shall mean and include and shall be deemed to have always meant and included all rights, titles and interest in, or any benefit arising out of, such property.'.

3. On and from the date of commencement of the principal Act, in section 5, after sub-section (2), the following shall be inserted, and shall always be deemed to have been inserted, namely:

'(3) The enemy property vested in the Custodian shall, notwithstanding that the enemy or the enemy subject or the enemy firm has ceased to be an enemy due to death, extinction, winding up of business or change of nationality or that the legal heir and successor is a citizen of India or the citizen of a country which is not an enemy, continue to remain, save as otherwise provided in this Act, vested in the Custodian.
Explanation.—For the purposes of this sub-section, "enemy property vested in the Custodian" shall include and always deemed to have been included all rights, titles, and interest in, or any benefit arising out of, such property vested in him under this Act.'.

4. After section 5 of the principal Act, the following section shall be inserted, namely:—

"5A. The Custodian may, after making such inquiry as he deems necessary, by order, declare that the property of the enemy or the enemy subject or the enemy firm described in the order, vests in him under this Act and issue a certificate to this effect and such certificate shall be the evidence of the facts stated therein.

5. On and from the date of commencement of the principal Act, after section 5A (as so inserted by section 4 of this Act), the following shall be inserted and shall always be deemed to have been inserted, namely:—

'5B. Nothing contained in any law for the time being in force relating to succession or any custom or usage governing succession of property shall apply in relation to the enemy property under this Act and no person (including his legal heir and successor) shall have any right and shall be deemed not to have any right (including all rights, titles and interests or any benefit arising out of such property) in relation to such enemy property.

Explanation.—For the purposes of this section, the expressions "custom" and "usage" signify any rule which, having been continuously and uniformly observed for a long time, has obtained the force of law in the matters of succession of property.'.

6. On and from the date of commencement of the principal Act, for section 6 of the principal Act, the following section shall be substituted and shall always be deemed to have been substituted, namely:—

"6. (1) No enemy or enemy subject or enemy firm shall have any right and shall never be deemed to have any right to transfer any property vested in the Custodian under this Act, whether before or after the commencement of this Act and any transfer of such property shall be void and shall always be deemed to have been void.

(2) Where any property vested in the Custodian under this Act had been transferred, before the commencement of the Enemy Property (Amendment and Validation) Act, 2016, by an enemy or enemy subject or enemy firm and such transfer has been declared, by an order, made by the Central Government, to be void, and the property had been vested or deemed to have been vested in the Custodian [by virtue of the said order made under section 6, as it stood before its substitution by section 6 of the Enemy Property (Amendment and Validation) Act, 2016] such property shall, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, continue to vest or be deemed to have been vested in the Custodian and no person (including an enemy or enemy subject or enemy firm) shall have any right or deemed to have any right (including all rights, titles and interests or any benefit arising out of such property) over the said property vested or deemed to have been vested in the Custodian.”.

7. In section 8 of the principal Act,—

(i) on and from the date of commencement of the principal Act, for sub-section (1), the following sub-section shall be substituted and shall always be deemed to have been substituted, namely:—

"(1) With respect to the property vested in the Custodian under this Act, the Custodian may take or authorise the taking of such measures as he considers necessary or expedient for preserving such property till it is disposed of in accordance with the provisions of this Act.”;
(ii) in sub-section (2),—

(a) after clause (i), the following clause shall be inserted, namely:—

"(ia) fix and collect the rent, standard rent, lease rent, licence fee or usage charges, as the case may be, in respect of enemy property;";

(b) after clause (iv), the following clause shall be inserted, namely:—

"(iva) secure vacant possession of the enemy property by evicting the unauthorised or illegal occupant or trespasser and remove unauthorised or illegal constructions, if any.".

8. After section 8 of the principal Act, the following section shall be inserted, namely:—

"8A. (1) Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority or any law for the time being in force, the Custodian may, within such time as may be specified by the Central Government in this behalf, dispose of whether by sale or otherwise, as the case may be, with prior approval of the Central Government, by general or special order, enemy properties vested in him immediately before the date of commencement of the Enemy Property (Amendment and Validation) Act, 2016 in accordance with the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Act, 2016.

(2) The Custodian may, for the purpose of disposal of enemy property under sub-section (1), make requisition of the services of any police officer to assist him and it shall be the duty of such officer to comply with such requisition.

(3) The Custodian shall, on disposal of enemy property under sub-section (1) immediately deposit the sale proceeds into the Consolidated Fund of India and intimate details thereof to the Central Government.

(4) The Custodian shall send a report to the Central Government at such intervals, as it may specify, for the enemy properties disposed of under sub-section (1), containing such details, (including the price for which such property has been sold and the particulars of the buyer to whom the properties have been sold or disposed of and the details of the proceeds of sale or disposal deposited into the Consolidated Fund of India) as it may specify.

(5) The Central Government may, by general or special order, issue such directions to the Custodian on the matters relating to disposal of enemy property under sub-section (1) and such directions shall be binding upon the Custodian and the buyer of the enemy properties referred to in that sub-section and other persons connected to such sale or disposal.

(6) The Central Government may, by general or special order, make such guidelines for disposal of enemy property under sub-section (1).

(7) Notwithstanding anything contained in this section, the Central Government may direct that disposal of enemy property under sub-section (1) shall be made by any other authority or Ministry or Department instead of Custodian and in that case all the provisions of this section shall apply to such authority or Ministry or Department in respect of disposal of enemy property under sub-section (1).

(8) Notwithstanding anything contained in sub-sections (1) to (7), the Central Government may deal with or utilise the enemy property in such manner as it may deem fit.”.

9. After section 10 of the principal Act, the following section shall be inserted, namely:—

"10A. (1) Where the Custodian proposes to sell any enemy immovable property vested in him, to any person, he may on receipt of the sale proceeds of such property, issue a certificate of sale in favour of such person and such certificate of sale shall,
notwithstanding the fact that the original title deeds of the property have not been handed over to the transferee, be valid and conclusive proof of ownership of such property by such person.

(2) Notwithstanding anything contained in any law for the time being in force, the certificate of sale, referred to in sub-section (1), issued by the Custodian shall be a valid instrument for the registration of the property in favour of the transferee and the registration in respect of enemy property for which such certificate of sale had been issued by the Custodian, shall not be refused on the ground of lack of original title deeds in respect of such property or for any such other reason.

10. In section 11 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:

"(3) The Custodian, Deputy Custodian or Assistant Custodian shall have, for the purposes of exercising powers or discharging his functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while dealing with any case under this Act, in respect of the following matters, namely:

(a) requiring the discovery and inspection of documents;
(b) enforcing the attendance of any person, including any officer dealing with land, revenue and registration matters, banking officer or officer of a company and examining him on oath;
(c) compelling the production of books, documents and other records; and
(d) issuing commissions for the examination of witnesses or documents."

11. In section 17 of the principal Act, in sub-section (1), for the words "two per centum", at both the places where they occur, the words "five per centum" shall be substituted.

12. For section 18 of the principal Act, the following section shall be substituted, namely:

"18. The Central Government may, on receipt of a representation from a person, aggrieved by an order vesting a property as enemy property in the Custodian within a period of thirty days from the date of receipt of such order and after giving a reasonable opportunity of being heard, if it is of the opinion that any enemy property vested in the Custodian under this Act and remaining with him was not an enemy property, it may by general or special order, direct the Custodian that such property vested as enemy property in the Custodian may be transferred to the person from whom such property was acquired and vested in the Custodian."

13. On and from the date of commencement of the principal Act, after section 18 (as so substituted by section 12 of this Act), the following section shall be inserted and shall always be deemed to have been inserted, namely:

"18A. Any income received in respect of the enemy property by the Custodian shall not, notwithstanding that such property had been transferred by way of sale under section 8A or section 18, as the case may be, to any other person, be returned or liable to be returned to such person or any other person."

14. After section 18A of the principal Act, (as so inserted by section 13 of this Act), the following section shall be inserted, namely:

"18B. No civil court or other authority shall entertain any suit or other proceeding in respect of any property, subject-matter of this Act as amended by the Enemy Property (Amendment and Validation) Act, 2016, or any action taken by the Central Government or the Custodian in this regard."
15. In section 20 of the principal Act, for the words "five hundred rupees" at both the places where they occur, the words "ten thousand rupees" shall be substituted.

16. On and from the date of commencement of the principal Act, in section 22 of the principal Act, after the words "for the time being in force", the brackets and words "(including any law of succession or any custom or usage in relation to succession of property)" shall be inserted and shall always be deemed to have been inserted.

17. After section 22 of the principal Act, the following section shall be inserted and shall always be deemed to have been inserted with effect from the 2nd July, 2010, namely:—

"22A. Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,—

(a) the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Act, 2016, shall have and shall always be deemed to have effect for all purposes as if the provisions of this Act, as amended by the said Act, had been in force at all material times;

(b) any enemy property divested from the Custodian to any person under the provisions of this Act, as it stood immediately before the commencement of the Enemy Property (Amendment and Validation) Act, 2016, shall stand transferred to and vest or continue to vest, free from all encumbrances, in the Custodian in the same manner as it was vested in the Custodian before such divesting of enemy property under the provisions of this Act, as if the provisions of this Act, as amended by the aforesaid Act, were in force at all material times;

(c) no suit or other proceedings shall, without prejudice to the generality of the foregoing provisions, be maintained or continued in any court or tribunal or authority for the enforcement of any decree or order or direction given by such court or tribunal or authority directing divestment of enemy property from the Custodian vested in him under section 5 of this Act, as it stood before the commencement of the Enemy Property (Amendment and Validation) Act, 2016, and such enemy property shall continue to vest in the Custodian under section 5 of this Act, as amended by the aforesaid Act, as the said section, as amended by the aforesaid Act was in force at all material times;

(d) any transfer of any enemy property, vested in the Custodian, by virtue of any order of attachment, seizure or sale in execution of decree of a civil court or orders of any tribunal or other authority in respect of enemy property vested in the Custodian which is contrary to the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Act, 2016, shall be deemed to be null and void and notwithstanding such transfer, continue to vest in the Custodian under this Act.”.

18. In section 23 of the principal Act, in sub-section (2), clause (d) shall be omitted.

19. (1) If any difficulty arises in giving effect to the provisions of the principal Act, as amended by the Enemy Property (Amendment and Validation) Act, 2016, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as amended by the Enemy Property (Amendment and Validation) Act, 2016, or the Public Premises (Eviction of Unauthorised Occupants) Act, 1971, as amended by the Enemy Property (Amendment and Validation) Act, 2016, as may appear to be necessary for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of two years from the date on which the Enemy Property (Amendment and Validation) Bill, 2016, replacing the Enemy Property (Amendment and Validation) Ordinance, 2016, receives the assent of the President.
(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

20. In the Public Premises (Eviction of Unauthorised Occupants) Act, 1971,—

(a) in section 2, in clause (e), after sub-clause (3), the following sub-clause shall be inserted, namely:

"(4) any premises of the enemy property as defined in clause (c) of section 2 of the Enemy Property Act, 1968.";

(b) in section 3, in clause (a),—

(i) in the second proviso, the word "and" shall be omitted;

(ii) after the second proviso, the following proviso shall be inserted, namely:

"Provided also that the Custodian, Deputy Custodian and Assistant Custodian of the enemy property appointed under section 3 of the Enemy Property Act, 1968 shall be deemed to have been appointed as the Estate Officer in respect of those enemy property, being the public premises, referred to in sub-clause (4) of clause (e) of section 2 of this Act for which they had been appointed as the Custodian, Deputy Custodian and Assistant Custodian under section 3 of the Enemy Property Act, 1968."

21. Notwithstanding the cessation of the operation of the Enemy Property (Amendment and Validation) Ordinance, 2010, anything done or any action taken under the Enemy Property Act, 1968, or the Public Premises (Eviction of Unauthorised Occupants) Act, 1971, as amended by the Enemy Property (Amendment and Validation) Ordinance, 2010, shall be deemed to have been done or taken under the corresponding provisions of those Acts, as amended by the Enemy Property (Amendment and Validation) Ordinance, 2010, as if the provisions of this Act, as amended by the said Ordinance had been in force at all material times.

22. (1) The Enemy Property (Amendment and Validation) Ordinance, 2016 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Enemy Property Act, 1968 as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.
STATEMENT OF OBJECTS AND REASONS

The Enemy Property Act, 1968 was enacted on the 20th August, 1968 to, inter alia, provide for the continued vesting of enemy property vested in the Custodian of Enemy Property for India under the Defence of India Rules, 1962 and for matters connected therewith.

2. Of late, there have been various judgments by various courts that have adversely affected the powers of the Custodian and the Government of India as provided under the Enemy Property Act, 1968. In view of such interpretation by various courts, the Custodian is finding it difficult to sustain his actions under the Enemy Property Act, 1968.

3. In the above circumstances, it has become necessary to amend the Enemy Property Act, 1968, inter alia, to clarify the legislative intention with retrospective effect providing—

(a) that the definition of "enemy" and "enemy subject" shall include the legal heir and successor of an enemy, whether a citizen of India or a citizen of a country which is not an enemy and also include the succeeding firm of an enemy firm in the definition of "enemy firm" irrespective of the nationality of its members or partners;

(b) that the enemy property shall continue to vest in the Custodian even if the enemy or enemy subject or enemy firm ceases to be enemy due to death, extinction, winding up of business or change of nationality or that the legal heir or successor is a citizen of India or a citizen of a country which is not an enemy;

(c) that the enemy property shall continue to vest in the Custodian with all rights, title and interest in the property and the Custodian shall preserve the same till it is disposed of by the Custodian, with the prior approval of the Central Government, in accordance with the provisions of this Act;

(d) that the Custodian shall, after making such inquiry as he deems necessary, declare that the property of the enemy or the enemy subject or the enemy firm vest in him under the aforesaid Act and issue a certificate to that effect which would be evidence of the facts stated therein;

(e) that the law of succession or any custom or usage governing succession shall not apply in relation to enemy property;

(f) that no enemy or enemy subject or enemy firm shall have any right and shall never be deemed to have any right to transfer any property vested in the Custodian and any transfer of such property shall be void;

(g) that the Custodian, with prior approval of the Central Government, may dispose of the enemy properties vested in him in accordance with the provisions of the said Act and for this purpose the Central Government may issue such directions to the Custodian which shall be binding upon him;

(h) that the Central Government may transfer the property vested in the Custodian which was not an enemy property to the person who has been aggrieved by the vesting order issued by the Custodian.

4. In order to have speedy and effective eviction of unauthorised occupants from the enemy property under the Custodian, it is proposed to amend the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 so as to declare the Custodian, Deputy
Custodian and Assistant Custodian of Enemy Property appointed under the Enemy Property Act, 1968 as “Estate Officer” in respect of the enemy properties.

5. As Parliament was not in session and an urgent legislation was required to be made, the President promulgated the Enemy Property (Amendment and Validation) Ordinance, 2016 on the 7th January, 2016.

6. The Bill seeks to replace the aforesaid Ordinance.

NEW DELHI; 

RAJNATH SINGH

The 23rd February, 2016.
2. In this Act, unless the context otherwise requires,—

(a) * * * *

(b) “enemy” or “enemy subject” or “enemy firm” means a person or country who or which was an enemy, an enemy subject or an enemy firm, as the case may be, under the Defence of India Act, 1962, and the Defence of India Rules, 1962 or the Defence of India Act, 1971 and the Defence of India Rules, 1971, but does not include a citizen of India;

(c) “enemy property” means any property for the time being belonging to or held or managed on behalf of an enemy, an enemy subject or an enemy firm:

Provided that where an individual enemy subject dies in the territories to which this Act extends, any property which immediately before his death, belonged to or was held by him or was managed on his behalf, may, notwithstanding his death, continue to be regarded as enemy property for the purposes of this Act;

6. Where any property vested in the Custodian under this Act has been transferred, whether before or after the commencement of this Act, by an enemy or an enemy subject or an enemy firm where it appears to the Central Government that such transfer is injurious to the public interest or was made with a view to evading or defeating the vestige of the property in the Custodian, then, the Central Government may, after giving a reasonable opportunity to the transferee to be heard in the matter, by order, declare such transfer to be void and on the making of such order, the property shall continue to vest or be deemed to vest in the Custodian.

8. (1) With respect to the property vested in the Custodian under this Act, the Custodian may take or authorise the taking of such measures as he considers necessary or expedient for preserving such property and where such property belongs to an individual enemy subject, may incur such expenditure out of the property as he considers necessary or expedient for the maintenance of that individual or of his family in India.

(2) Without prejudice to the generality of the foregoing provision, the Custodian or such person as may be specifically authorised by him in this behalf, may for the said purpose,—

(i) carry on the business of the enemy;

(ii) institute, defend or continue any suit or other legal proceeding, refer any dispute to arbitration and compromise any debts, claims or liabilities;

Levy of fees.

17. (1) There shall be levied by the Custodian fees equal to two per centum of—

(a) the amount of moneys paid to him;

(b) the proceeds of the sale or transfer of any property which has been vested in him under this Act; and
(c) the value of the residual property, if any, at the time of its transfer to the original owner or other person specified by the Central Government under section 18:

Provided that in the case of an enemy whose property is allowed by the Custodian to be managed by some person specially authorised in that behalf, there shall be levied a fee of two per centum of the gross income of the enemy or such less fee as may be specifically fixed by the Central Government after taking into consideration the cost of direct management incurred by that Government, the cost of superior supervision and any risks that may be incurred by that Government in respect of the management:

Provided further that the Central Government may, for reasons to be recorded in writing, reduce or remit the fees leviable under this sub-section in any special case or class of cases.

Explanation.—In this sub-section ”gross income of the enemy” means income derived out of the properties of the enemy vested in the Custodian under this Act.

18. The Central Government may, by general or special order, direct that any enemy property vested in the Custodian under this Act and remaining with him shall be divested from him and be turned, in such manner as may be prescribed, to the owner thereof or to such other person as may be specified in the direction and thereupon such property shall cease to vest in the Custodian and shall revest in such owner or other person.

20. * * * * *

(3) If any person fails to comply with a requisition made by the Custodian under sub-section (1) or sub-section (2) of section 11, he shall be punishable with fine which may extend to five hundred rupees.

(4) If any person fails to submit the return under sub-section (2) of section 15, or furnishes such return containing any particular which is false and which he knows to be false or does not believe to be true, he shall be punishable with fine which may extend to five hundred rupees.

22. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

23. (1) * * * * *

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

(d) the manner in which enemy property vested in the Custodian may be returned under section 18;
EXTRACTS FROM THE PUBLIC PREMISES (EVICTION OF UNAUTHORISED OCCUPANTS) ACT, 1971
(40 of 1971)

2. In this Act, unless the context otherwise requires,—

3. The Central Government may, by notification in the Official Gazette,—

(a) appoint such persons, being gazetted officers of Government or of the Government of any Union Territory or officers of equivalent rank of the statutory authority, as it thinks fit, to be estate officers for the purposes of this Act:

Provided that no officer of the Secretariat of the Rajya Sabha shall be so appointed except after consultation with the Chairman of the Rajya Sabha and no officer of the Secretariat of the Lok Sabha shall be so appointed except after consultation with Speaker of the Lok Sabha:

Provided further that an officer of a statutory authority shall only be appointed as an estate officer in respect of the public premises controlled by that authority; and
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further to amend the Enemy Property Act, 1968 and the Public Premises (Eviction of Unauthorised Occupants) Act, 1971

(Shri Rajnath Singh, Minister of Home Affairs)