CGHC010192302019 2026:CGHC:40700

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WP227 No. 504 of 2019

Order reserved on 11/09/2026

Order delivered on 17/09/2026

1 - P. K. Deb S/o Late P.C. Deb Aged About 59 Years R/o Quarter No. 01 B, Street - 34, Sector - 10 Bhilainagar, District Durg Chhattisgarh., District : Durg, Chhattisgarh

2 - Smt. Sapna Deb W/o Shri P. K. Deb Aged About 57 Years R/o Quarter No. 01b, Street - 34, Sector - 10, Bhilainagar, District Durg Chhattisgarh., District : Durg, Chhattisgarh

... Petitioners

versus

1 - Steel Authority Of India Limited, Through Chairman , Ispat Bhawan, Lodi Road, New Delhi, District : New Delhi, Delhi

2 - Bhilai Steel Plant, Through Chief Executive Officer, 2nd Floor, Ispat Bhawan, Bhilai, Tahsil And District Durg Chhattisgarh., District : Durg, Chhattisgarh

Respondents

(Cause title taken from Case Information System)

For Petitioners	:	Mr. Anand Shukla and Ms. Shivali Dubey, Advocate
For Respondents	:	Mr. Avinash Singh, Advocate on behalf of Dr. Saurabh Kumar Pande, Advocate

Hon'ble Shri Ravindra Kumar Agrawal, Judge

C.A.V. Order

1. The petitioners have filed the instant writ petition under Article 227 of the Constitution of India, calling in question the order dated 25.09.2018 passed by the learned 4th Additional District Judge, Durg, in Regular Civil Appeal No. 34/2017, whereby the appeal preferred by the petitioner has been dismissed and the order dated 03.07.2017 passed by the Estate Officer, Under Public Premises (Eviction of Unauthorised Occupants) Act, 1971, Bhilai Nagar, District Durg, in Case No. 16/2012 has been affirmed. They prayed the following reliefs in the petition:-

> "10.1) That, this Hon'ble Court may kindly be pleased to quash/set-aside the orders dated 25.09.2018 passed by the Court of 4th Additional District Judge, Durg, Chhattisgarh, dismissing the Civil Appeal No. 34/2017 of the Petitioners and affirming the order dated 03.07.2017 passed by the office of the Estate Officer of Public Premises (Eviction of Unauthorized Occupants) Act, 1971 in Case No. 16/2012.
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> 10.2) That, this Hon'ble Court may kindly be pleased to direct the respondents to set aside the order of termination of the lease dated 26.09.2009 of Quarter No.1-B, Street No.34, Sector-10, Bhilai Nagar, Tehsil & District-Durg, Chhattisgarh which was allotted to the Petitioners for a period of 30 years; and
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> 10.3) Any other relief or relief(s) which this Hon'ble Court may think proper in view of the

facts and circumstances of the case may also kindly be granted."

2. The case of the petitioners, in brief, is that the respondents, being a public sector undertaking, had constructed residential quarters in Bhilai Township for their employees and introduced the "SAIL Scheme for Leasing of House to Employees 2001-2003", under which quarters were allotted to employees, ex-employees and their legal dependants on long-term lease for a period of 30 years on payment of the stipulated premium/lease rent. Pursuant thereto, Quarter No.1-B, Street No.34, Sector-10, Bhilai Nagar, District Durg, was allotted to the petitioners vide allotment letter dated 16.02.2002, pursuant to which an amount of Rs. 4,15,037/- was paid by them on 30.03.2002 and possession of the quarter was handed over to them for the aforesaid 30-year period. Subsequently, the respondents issued notices dated 20.07.2007, 24.08.2007, 04.10.2007 and 27.10.2007 alleging that the petitioners had made unauthorized additional construction/alterations in the quarter without permission and were using the premises for commercial purposes by running a hostel. The petitioners submitted replies denying the allegations and stated that the additional construction had been made to meet their family requirements and was capable of being regularized on payment of the requisite charges/penalty. As there was no further communication from the respondents for about two years and discussions were allegedly underway between the Management and the Employees' Union regarding regularization of such constructions, the petitioners claim to have remained under the bona fide impression that the additional construction would be regularized.

However, the respondents, without granting any further opportunity of hearing, cancelled the petitioners' long-term lease vide order dated 26.06.2009 and thereafter initiated proceedings before the Estate Officer under the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (in short "the Act of 1971") seeking their eviction.

3. Before the Estate Officer, the petitioners denied the allegations of unauthorized construction, encroachment and commercial use of the premises and submitted that the additional construction had been made for family requirements and that they were ready and willing to pay the requisite charges/penalty for its regularization. The petitioners examined one witness, whereas the respondents examined four witnesses. The Estate Officer, vide order dated 03.07.2017, directed eviction of the petitioners from the subject premises and further directed them to pay Rs. 1,47,517.84/- towards damages and other charges, along with future damages and charges until vacation of the premises. Aggrieved thereby, the petitioners preferred an appeal under Section 9 of the Act of 1971 on 17.07.2017, on the ground that the Estate Officer had failed to properly appreciate their pleadings and evidence; that no particulars or measurement of the alleged encroachment/additional construction had been established; that the construction could have been regularized under the applicable municipal laws; that there was no specific stipulation in the lease prohibiting such construction; that the respondents, having granted a 30-year lease after accepting the lease amount, could not prematurely terminate the same contrary to

the provisions of the Transfer of Property Act, 1882; and that the proceedings under the Act of 1971 were not maintainable, as the respondents ought to have approached the competent Civil Court for cancellation/termination of the lease and consequential eviction. The petitioners also questioned the jurisdiction of the appellate Court on the ground that the learned Additional District Judge did not satisfy the requirement prescribed under Section 9 of the Act of 1971. The learned 4th Additional District Judge, Durg, however, vide order dated 25.09.2018 passed in Regular Civil Appeal No. 34/2017, dismissed the appeal and affirmed the order of the Estate Officer. Hence, the present petition.

4. Learned counsel for the petitioners would submit that the Courts below have failed to properly appreciate the pleadings, oral and documentary evidence and the legal submissions advanced on behalf of the petitioners. It is submitted that petitioner No. 1 was allotted the subject quarter under the "SAIL Scheme for Leasing of House to Employees 2001-2003" for a long-term period of 30 years upon payment of Rs. 4,15,037/-, and possession was accordingly delivered to the petitioners. Once such a long-term lease was granted, the rights and obligations of the parties were governed by the terms of the lease and the applicable provisions of the Transfer of Property Act, 1882, and any alleged breach of the lease conditions or its cancellation/termination could not be determined by resorting to the summary procedure under the Act of 1971. It is argued that the respondents, having themselves granted the lease for a definite period and accepted the entire stipulated premium, could not, merely

for their own convenience, invoke the jurisdiction of the Estate Officer to secure eviction of the petitioners without first lawfully terminating the lease in accordance with law.

5. It would further be submitted that the respondents failed to establish any substantial or serious breach warranting termination of the lease. The allegation that the premises were being used for commercial purposes by running a hostel was not proved by cogent and reliable evidence, and the only allegation which could be said to have been established was that the petitioners had made some additional construction. According to learned counsel, the said construction was made on account of the increased requirements of the petitioners' family and without altering the basic structure of the quarter, and the petitioners had already expressed their willingness to have the same regularized and to pay the requisite charges or penalty. Since the Bhilai Township falls within the municipal jurisdiction and is governed by the applicable municipal laws, the alleged additional construction was capable of being dealt with by way of regularization on payment of the prescribed charges, rather than by resorting to the extreme consequence of cancellation of a 30-year lease and eviction. It is thus submitted that the punishment imposed upon the petitioners is wholly disproportionate to the alleged violation. Learned counsel would also submit that the termination of the lease was effected without affording a proper opportunity of hearing, despite the petitioners having replied to the notices issued by the respondents, and that the subsequent orders failed to deal with their specific defence and the evidence adduced on their behalf.

6. Learned counsel would lastly submit that the action of the respondents is also arbitrary and discriminatory, particularly when more than 4,500 residential quarters had allegedly been allotted under the same scheme, and additional constructions had been made by several other allottees owing to expansion of their families and residential requirements, yet the respondents selectively proceeded against the present petitioners. The petitioners are ready to remove the additional construction from the subject premises, if any, but it is for the respondents to allege the specific area of additional construction. It is argued that no rational basis for such discriminatory treatment has been demonstrated. The petitioner No. 1 was in service of Bhilai Steel Plant and the quarter was allotted to him under a welfare-oriented scheme intended to provide residential security to employees, ex-employees and their legal dependants, with provision for a long-term lease and further renewal. Having invested the substantial amount of Rs. 4,15,037/- pursuant to the scheme and having remained in lawful possession under the 30-year lease, the petitioners ought not to have been deprived of their residential accommodation on the basis of a curable violation, particularly when they are ready and willing to pay the charges/penalty for regularization of the additional construction. It is, therefore, submitted that the orders dated 03.07.2017 passed by the Estate Officer and 25.09.2018 passed by the learned appellate Court are arbitrary, unreasonable and contrary to the applicable statutory provisions and principles of natural justice and, accordingly, deserve to be set aside.

7. Learned counsel for the respondents would oppose the writ petition and submit that the orders passed by the Estate Officer and affirmed by the appellate Court are based upon proper appreciation of the material available on record and do not suffer from any jurisdictional error warranting interference under Article 227 of the Constitution of India. It would be argued that the petitioners were allotted the quarter subject to the terms and conditions of the long-term lease and, notwithstanding the period of 30 years mentioned therein, such allotment did not confer an absolute or unconditional right upon them to retain the premises in violation of the prescribed conditions. The petitioners admittedly made unauthorized additional construction/ alterations in the allotted quarter without obtaining prior permission of the competent authority and also failed to comply with the conditions governing the allotment. Upon such breach, the competent authority was justified in cancelling the allotment/lease and initiating proceedings under the Act of 1971. The Estate Officer, after affording due opportunity to the petitioners and upon considering the evidence led by both sides, recorded a finding that the petitioners were in unauthorized occupation and accordingly directed their eviction and payment of damages. The mere assertion that the construction could have been regularized under the municipal law, or the petitioners' subsequent willingness to pay penalty, cannot create a right in their favour to continue in possession contrary to the terms of the allotment.

8. It would further be submitted that the contention that the respondents were required to approach the Civil Court is misconceived, as the

subject premises are public premises and the Act of 1971 provides a specific statutory mechanism for eviction of persons who have ceased to have a lawful right to occupy such premises. The applicability of municipal laws regarding regularization of construction does not override the contractual conditions governing allotment of the quarter or prevent the respondents from taking action for breach of those conditions. The allegation of discrimination is also unsupported by any cogent material, and the petitioners cannot claim parity with other alleged unauthorized occupants merely on the basis of an assertion that similar constructions exist in other quarters. Learned counsel would submit that the appellate Court has duly considered the grounds raised by the petitioners and has affirmed the well-reasoned order of the Estate Officer. The scope of supervisory jurisdiction under Article 227 is limited and this Court would not reappreciate the evidence or substitute its own view merely because another view is possible. As no patent illegality, perversity or jurisdictional infirmity has been demonstrated in the concurrent orders, the writ petition deserves to be dismissed.

9. I have heard learned counsel for the parties and perused the documents annexed with the petition and gone through the orders passed by the Estate Officer and the Appellate Court.

10. The Estate Officer, after giving opportunity to file reply, lead evidence and hearing the parties, passed its order on 03.07.2017. The findings recorded by the Estate Officer are as below:-

> “4. The NAs examined one witness in support of their case while the applicant examined four

witnesses in support of their case. Argument of the parties heard. After going through the case file, the documents filed therein, the written reply of the NAs, the statements of the witnesses and argument of parties, I conclude my findings as under:

i. That the NAs have admitted in their reply that they have made additional construction due to family requirement and have requested for condoning the same. NAs have further stated that they would be bound to pay the charges/penalty as may be demanded now or in future for additional construction. The lease of the suit premises has been terminated on the ground of unauthorised construction by the NAs and running hostel therein. NAs' witness (NAW) Shri PK Deb has denied in his deposition during cross examination that he was running hostel in the premises. Although NAW has deposed in his statement that a departmental enquiry was conducted against him for running unauthorised hostel and he was penalized for the same but applicant could not substantiate their contention through the evidence of any witness that NAs were running hostel in the suit premises or using the premises for commercial purpose.

ii. Applicant Witness No.1 (AW1), Shri Sant Kumar Sahu, Ex. Estate Inspector in the applicant company has stated in his deposition that he has surveyed the suit quarter on 07.01.2012 as per the letter of Asstt. Manager (House Lease), Ex. P-XVIII and prepared sketch map Ex. P-XVII, copy of which is Ex. P-XVII'C'. As per the details of survey, Shri PK Deb is in occupation of total area 4739 sft, as per SNo.2 of the sketch map. The area under lease is shown by green line which is 3083 sft, in SNo.3 of the sketch map, area under encroachment is shown by red line in SNo.4 which is 1656 sft, construction of pucca building is shown by pink line in SNo.5 which is 2453 sft including plinth area of the ground floor against plinth area of 620 sft. The NAs have also constructed first floor building which is noted in the sketch map. NAs have done additional construction measuring 1833 sft on the ground floor which is unauthorised besides construction of first floor, unauthorisedly.

iii. Applicant Witness No.4 (AW4) Shri Tribhuwan Prasad Kaushik, Surveyor in the Estate Deptt. has stated in his deposition that he has gone for survey of the suit quarter No.01B, Street 34, Sector 10 on 07.01.2012 along with his senior Sant Kumar Sahu. It was found that the NA is in occupation of total area 4739 sft, in which, area measuring 1656 sft is in excess of the allotted area. The encroached area has been shown by red colour in Ex. P-XVII.

iv. Lease of the suit premises has been terminated on 26.06.2009. Ex. P-16 C, for violating the terms of lease agreement in as much as NAs have made additional construction without permission and using the same for running a hostel therein. It was also subsequently found that the NAs have taken electrical connection unauthorisedly. NAW has stated in his deposition during cross examination that he submitted an application to electrical department on insistence of an officer of TEED, Shri Manoj so as to avoid disconnection of electricity from his premises, stating that there is provision for 30 children in his house but at present only 13-14 children are residing. NAW has denied to have submitted such application because he was running a hostel in the suit quarter. The electricity was disconnected from the premises after 8-10 days of submission of application which was restored on submission of demand draft of rupees one lakh and declaration on bond paper.

v. Admittedly, NAs were issued notices dated 20.07.2007, 24.08.2007 and 04.10.2007 for stopping the unauthorised activity and for removing the additional construction but in vain. Therefore, lease allotment of the suit premises was cancelled on 26.06.2009, Ex. P-16 C for unauthorised additional construction by the NAs which has been admitted by NAW in his deposition. NAs have submitted application to the Applicant Company for regularisation of additional construction and payment of charges for the same. However, nothing has been elucidated by the applicant company regarding regularisation of additional construction and payment of charges for the same. The NAs were required to vacate the premises after termination of lease but they failed to do so. Therefore, I hold that the NAs are in unauthorised occupation of the earlier allotted premises and the encroached land measuring 1656 sft as indicated in Ex. P-17C and as such liable to vacate the same.

vi. Applicant has claimed damages for the earlier allotted premises @ 1% of premium @ Rs.4288.37 per month and damages for encroached land measuring 153.97 Sq.mt. (1656 sft) @ 1% of CG Govt. land rate which is Rs.22365.68 per month. This appears to be

> reasonable as the suit premises has a very good commercial potential due to its location in Sector 10 area and as such allowed. Applicant company has further claimed electricity charges as per assessment or as per consumption as per tariff order of Chhattisgarh State Electricity Redressal Commission (CSERC), water charges @ Rs.55/- per month and conservancy charges @ Re.01/- per month which is as per rules of the company and as such allowed. Thus at the claimed rates, the NA is liable to pay damages and other charges i.e. electricity, water and conservancy as per assessment, amounting to Rs. 1,47,517.84 for the period 26.07.2009 to 31.01.2012 for the said period.
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> vii. The NA is further liable to pay future damages @ 1% of premium amount for the earlier allotted plot i.e. @ Rs.4288.37 per month and @ Rs.22365.68 towards encroachment charges, besides electricity, water and conservancy charges as per assessment with effect from 01.02.2012 till vacation of suit premises.**”**

11. The first submission of the petitioners that, merely because the quarter was allotted under a long-term lease for 30 years, the premises ceased to be ‘public premises’ and the respondents were necessarily required to approach the Civil Court, cannot be accepted. The status of the premises as ‘public premises’ is determined with reference to Section 2(e) of the Act of 1971 and is not lost merely because the premises have been allotted or leased to an employee under a long-term scheme. The Hon’ble Supreme Court in **Ashoka Marketing Ltd. v. Punjab National Bank**, (1990) 4 SCC 406, has explained that the Act of 1971 is a special enactment providing a

special machinery for eviction of unauthorised occupants from public premises. Therefore, once the allotment/lease stood cancelled and the petitioners continued in occupation thereafter, the question whether such continued occupation was unauthorised was amenable to determination by the Estate Officer in accordance with the Act.

12. In the present case, it is not in dispute that the petitioners had executed an agreement containing the terms and conditions governing the long-term allotment of the quarter. The record further shows that notices dated 20.07.2007, 24.08.2007 and 04.10.2007 were issued to the petitioners pointing out the unauthorized construction/alteration and calling upon them to remove the violations. The petitioners themselves admitted the additional construction and sought its regularization on payment of the requisite charges/penalty. Thus, the factual foundation for cancellation of the allotment, namely, construction/alteration without prior permission, stands substantially admitted. The evidence of AW-1 and AW-4 and the sketch map (Ex.P-17) further established that, against the allotted area of 3,083 sq.ft., the petitioners were occupying 4,739 sq.ft., including an encroached area of 1,656 sq.ft., besides additional construction on the ground and first floors. Though the Estate Officer did not find the allegation of running a hostel/commercial activity to have been established by cogent evidence, the finding of unauthorized construction was independently sufficient, in the facts of the case, to constitute violation of the conditions of allotment. The mere fact that the petitioners subsequently expressed willingness to pay penalty or sought regularization could not, by itself, confer upon

them a vested right to retain the premises after the allotment had been cancelled. It is also significant that the order dated 26.06.2009, whereby the long-term allotment/lease was cancelled, has not been challenged by the petitioners before any competent forum. The proceedings before the Estate Officer were initiated thereafter for their eviction from the public premises. In the absence of any subsisting challenge to the order of cancellation, the petitioners cannot, in the present proceedings, seek to assert a continuing right to remain in possession on the premise that the original lease was granted for a period of 30 years. Once the allotment stood cancelled, the Estate Officer was required to examine whether the petitioners had any subsisting authority to remain in occupation of the public premises.

13. The further submission that the alleged construction was capable of regularization under municipal law and, therefore, termination of the lease was impermissible, also does not advance the case of the petitioners. Regularization of an unauthorized construction under municipal law and the contractual authority of the lessor to enforce the terms and conditions of allotment operate in distinct fields. No material has been brought on record to demonstrate that the additional construction had actually been regularized by the competent municipal authority or that the respondents had accepted the petitioners' request for regularization. On the contrary, the material considered by the Estate Officer shows that despite repeated notices, the violations were not removed and the petitioners continued to remain in occupation even after cancellation of the

allotment on 26.06.2009. The earlier appellate order had directed the Estate Officer to issue a proper show-cause notice containing particulars of the alleged violations and to decide the matter afresh. Pursuant thereto, notices specifying the violations were issued, and the petitioners were afforded an opportunity to file their reply and lead evidence. Thus, the procedural defect, if any, noticed in the earlier proceedings stood substantially cured. The Hon'ble Supreme Court in the case of "**Ashoka Marketing Ltd.**" (supra) has emphasized that under Sections 4 and 5 of the Act of 1971 the occupant must be given an effective opportunity to show cause against the specified grounds of eviction; the inquiry before the Estate Officer involves determination whether the occupant is unauthorized and thereafter whether eviction should follow.

14. It is also relevant that during pendency of the present petition, on 21.07.2025, learned counsel appearing for the petitioners, on instructions, submitted that the petitioners were ready to remove the additional construction raised by them. The said submission further indicates that the existence of the additional construction is not seriously disputed. The dispute, therefore, essentially concerns the consequence of such violation and the petitioners' right to continue in occupation after cancellation of the allotment. In view of the admitted violation and the subsisting order of cancellation, the subsequent willingness to remove the construction cannot revive the cancelled allotment or create a right to continue in possession. It is necessary here to note the relevant part of the order sheet dated 21.07.2025 of the present writ petition, which reads as under:

> "Mr. Parth Shrivastava, Advoate, would submit that lease-deed granted in favour of the petitioner has been canceled and said order has been affirmed by the State Officer as well as by the learned 4th Additional District Judge, Durg. He would further submit that the petitioner has made a representation before the respondent authorities and he is ready to remove additional construction and illegal encroachment and he is also ready to make payment of penalty in this regard to the respondent authorities. He would also submit that a direction may be issued to respondent authorities to decide pending representation dated 30.06.2025.
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> On the other hand, learned counsel appearing for respondents would oppose.
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> Heard.
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> Taking into consideration the submission made by Mr. Shrivastava, respondent authorities are directed to take appropriate decision in objective manner on representation made by the petitioner, preferably within a period of 15 days."

15. Pursuant to the order dated 21.07.2025, the respondents decided the representation dated 30.06.2025 submitted by the petitioners on 02.08.2025 and rejected the same by saying that there is no provision for regularization of additional construction. A copy of the order dated 02.08.2025 is annexed in the petition along with the covering memo dated 29.10.2025, filed by the petitioner. The relevant part of the order dated 02.08.2025 is as below:-

> "उपरोक्त के संदर्भ में कथन यह है कि आपको सेल आवास लीज योजना के तृतीय चरण में आवास क्रमांक 001B/034/10(01U)

दीर्घकालीन पट्टे पर 30 वर्ष की अवधि के लिए दिनांक 31.03.2002 को आबंटित किया गया था |

आपने उक्त आवास में अतिरिक्त निर्माण कर सेल आवास लीज योजना एवं लीज अनुबंध की कंडिकाओं का उल्लंघन किया | जिसके मद्देनजर आपको उल्लंघन हटाने हेतु नोटिस जारी किया गया | आपके द्वारा नोटिस का अनुपालन ना करने की स्थिति में सेल आवास लीज योजना के प्रावधान एवं लीज, अनुबंध के नियमों एवं शर्तों के तहत उक्त आवास का लीज निरस्त कर प्रकरण को आगे की कार्यवाही हेतु सम्पदा न्यायालय भेज दिया गया था |

उल्लेखनीय है कि वर्तमान में, सेल आवास लीज योजना के अंतर्गत आबंटित लीज आवासों में ADDITIONAL CONSTRUCTION के लिए PENALTY लेकर REGULARIZE करने का कोई प्रावधान नहीं है |"

16. As regards the plea of discrimination and disproportionate action, except for a general assertion that several other allottees had also made additional constructions, the petitioners have not produced any cogent material demonstrating that similarly situated allottees, against whom comparable violations had been established and notices issued, were permitted to continue in occupation. Nor can an alleged illegality committed in favour of another occupant furnish a ground for claiming a similar benefit. The findings recorded by the Estate Officer are based upon the petitioners' own admission, the survey evidence and the documentary material on record, and the learned Appellate Court has independently considered the grounds raised by the petitioners before affirming the order of eviction and damages. The damages awarded have also been quantified on the basis of the rates found applicable by the Estate Officer.

17. In exercise of jurisdiction under Article 227 of the Constitution, this Court does not sit as a regular appellate Court to reappreciate the

evidence or substitute its own conclusion merely because another view may be possible; interference is warranted only where there is patent perversity, jurisdictional error or manifest failure of justice. In the present case, no such infirmity is demonstrated.

18. Consequently, the concurrent findings recorded by the Estate Officer and the learned Appellate Court do not warrant interference in exercise of supervisory jurisdiction under Article 227 of the Constitution of India. The writ petition, therefore, fails and is hereby **dismissed**.

Sd/-
(Ravindra Kumar Agrawal)
Judge

ved