



2026:CGHC:17102-DB

**NAFR**

**HIGH COURT OF CHHATTISGARH AT BILASPUR**

**WA No. 299 of 2026**

Gulab Jain W/o Mr. Shanti Jain Aged About 79 Years R/o Shop No - 155,  
Sector - Civic Centre New Bhilai, District Durg, Chhattisgarh

**... Petitioner(s)**

**versus**

- 1** - Steel Authority Of India Through Its Chairman, Having Its Corporate Office At Ispat Bhavan, 3rd Floor, Lodhi Road, New Delhi – 110003
- 2** - Bhilai Steel Plant (Sail) Through Chief Executive Officer, Bhilai Steel Plant Bhilai, District - Durg Chhattisgarh
- 3** - Assistant General Manager (Shop, Lease And Licence) Sail Bhilai Steel Plant, Bhilai, District - Durg Chhattisgarh
- 4** - Manager (Estate), Town Administration Department, Sail Bhilai Steel Plant, Bhilai, District - Durg Chhattisgarh
- 5** - Additional Town Administrator (Admn.), Sail Bhilai Steel Plant, Bhilai, District - Durg Chhattisgarh
- 6** - Assistant Manager Estate (Shops) Sail Bhilai Steel Plant, Bhilai, District - Durg Chhattisgarh
- 7** - Chief General Manager (Ta And Csr) Sail Bhilai Steel Plant, Bhilai, District - Durg Chhattisgarh
- 8** - Chief General Manager (Personnel), Corporate Office At Ispat Bhavan, 3rd Floor, Lodhi Road, New Delhi – 110003
- 9** - State Of Chhattisgarh Through The Secretary, Department Of Revenue

And Disaster Management Department, Mantralaya, Mahanadi Bhawan, Atal Nagar, Nawa Raipur Chhattisgarh

**10** - State Of Chhattisgarh Through The Secretary, Commerce And Industries Department, Mantralaya, Mahanadi Bhawan, Atal Nagar, Nawa Raipur Chhattisgarh

**11** - Union Of India Through Ministry Of Steel, Udyog Bhawan, New Delhi, 110011

... Respondent(s)

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For Appellant	:	Mr. Anmol Verma, Advocate
For Respondents/State	:	Mr. Prasun Bhaduri, Dy. A. G.
For Respondent/ BSP	:	Mr. Pranjal Agrawal, Advocate

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**Hon'ble Shri Ramesh Sinha, Chief Justice**  
**Hon'ble Shri Ravindra Kumar Agrawal, Judge**

**Order on Board**

**Per Ramesh Sinha, C.J.**

**15.04.2026**

1. Heard Mr. Anmol Verma, learned counsel for the appellant. Also heard Mr. Prasun Bhaduri, learned Deputy Advocate General, appearing for the respondents/State and Mr. Pranjal Agrawal, learned counsel, appearing for respondent/BSP.
2. This intra Court appeal has been filed against the impugned order dated 31.10.2025 passed by the learned Single Judge in WPC No. 2337 of 2025 (***B. K. Ghosh v. Steel Authority of India & Others***) and ***batch of writ petitions***, whereby the learned Single Judge has dismissed the said batch of writ petitions.
3. Brief facts, necessary for disposal of this appeal, are that the writ petitioner / appellant is long-standing lessees of plots situated in the Bhilai Steel Plant Township, having acquired the same either directly or

through their predecessors-in-title pursuant to registered sale lease deeds execute during the years 1989-1991, each for a fixed tenure of 30/33 years. The relevant terms of the lease deed are as follows :

- i) Enhancement of ground rent at the time of lease renewal shall not exceed 50% of the existing rent;*
- ii) No other charges, including lease premium or "renewal charges", are payable*
- iii) the lease deeds bind the parties to the conditions and obligations stipulated therein.*

4. On 21<sup>st</sup> and 25<sup>th</sup> of July, 2008, the respondent No.1 conducted a meeting of its Board of Directors, wherein various modifications were undertaken in the terms and conditions for allotment of land in Steel Plants, including the allotments which had already been made and would be due for renewal in the future. In the said meeting it was decided by the Steel Authority of India Limited "SAIL" that henceforth any lease will be renewed subject to the following conditions :-

- Payment of Renewal Charges to be calculated as 25% of the Applicable Land Premium prevailing on the date of renewal.*
- Grounds rent to be 1% of the Applicable Land Premium.*
- Service Charge to be 2% of the Applicant Land Premium.*

5. The Shopkeepers were made aware of the decision taken by the Board of SAIL dated 21.07.2008, whereby the terms of the lease due for renewal were unilaterally changed. As a consequence of the sudden and drastic increase in the charges to be paid for renewal of the Lease, the Shopkeepers approached various authorities, including the District Collector for redressal of their grievances. In furtherance of one such meeting between the District Administration and the Management of Bhilai Steel Plant a letter was issued by the District Collector, Durg, on

31.07.2019, whereby the management of the Plant was informed that as per the extant rules applicable on the grant of land on lease, any premium or charge is payable only at the time of initial lease agreement and for any subsequent renewal no such premium is to be paid by the Land Holder. The Management of the plant was thereafter directed to act as per the rules and regulations of the State Government. The relevant portion of the said letter are as follows:-

- i) Any premium or additional charge is payable only at the time of initial lease grant.*
- ii) No premium or extra charges may be imposed at the time of renewal,*
- iii) The management of the plant was directed to act in accordance with State Government rules and policy.*

6. In furtherance of the Collector's directive, the Chief General Manager (TA) Bhilai Steel Plant, issued a letter dated 23.11.2019 to the Corporate Office of SAIL reiterated that charging premium at the time of lease renewal is prohibited under applicable policy.
7. Despite aforesaid directives, the petitioner received offer/demand letters dated 01.04.2025 requiring payment of amounts computed under the 2008 Guidelines, which included "Applicable Land Premium", enhanced ground rent and service charges, all of which are under the original lease agreements.
8. Being aggrieved by the same, the petitioner / appellant herein preferred writ petition assailing the constitutional validity of the policy framed pursuant to the minutes of the 340th and 340th (Extended) Meetings of the Board of Directors of the Steel Authority of India Limited ("SAIL") held on 21.07.2025 and 25.07.2025 respectively, as well as the

consequential offer letter dated 01.04.2025 issued in furtherance thereof. Among them, the matter titled ***B.K. Ghosh v. Steel Authority of India & Ors., W.P.(C) 2337/2025***, was treated as the lead case for the purpose of adjudication. A common counter affidavit was filed on behalf of the Respondents No. 3 and 7, i.e. Bhilai Steel Plant, in the said batch of writ petitions, and a common rejoinder thereto was submitted by the writ petitioners therein. The matters were thereafter heard finally, and the parties were directed to place on record their written submissions. By the impugned common judgment and order dated 31.10.2025 (uploaded on 03.11.2025), the learned Single Judge dismissed the said batch of writ petitions, including that of the present Appellant. Being aggrieved by the same, the above writ appeal has been preferred by the appellant.

9. It is pertinent to mention herein that one of the writ appeal being WA No. 35 of 2026 filed by the appellants / writ petitioners in WPC No. 2606/2025 has already been dismissed by this Court vide order dated 02.02.2026.
10. Mr. Anmol Verma, learned counsel appearing for the appellant, vehemently contended that the present writ appeal is distinguishable from WA No. 35 of 2026, which arose out of WPC No. 2605/2025 and was dismissed by this Court vide order dated 02.02.2026. It was submitted that the fundamental distinction lies in the nature of the challenge raised. In the earlier writ petition, the policy forming the basis of the demand was not under challenge; whereas, in the present writ petition, the appellant had specifically sought a declaration that the resolutions passed in the 340th Meeting of the Board of Directors held

on 21st and 25th July, 2008, along with the approved terms and conditions of allotment (leasing/sub-leasing), are unconstitutional, bad in law, and void *ab initio*. According to learned counsel, had this prayer been properly considered, the learned Single Judge ought to have allowed the writ petition, and consequently, the impugned demands would also have been set aside. It was further argued that no specific finding has been recorded by the learned Single Judge on the aforesaid prayer, which, according to the appellant, amounts to gross perversity. Learned counsel also drew attention to paragraph 4 at internal page 64 of the impugned judgment to submit that the observation regarding the absence of an analogous judicial precedent is erroneous, as the challenge to the constitutionality of the policy was raised for the first time, and therefore, the question of there being an existing precedent does not arise.

11. Per contra, Mr. Prasun Bhaduri, learned Deputy Advocate General appearing for the State/respondents, opposed the aforesaid submissions and contended that the issue involved in the present writ petition is squarely covered by the judgment of the Constitution Bench of the Hon'ble Supreme Court in ***Ashoka Marketing Ltd. v. Punjab National Bank***, reported in (1990) 4 SCC 406. It is submitted that the learned Single Judge has rightly relied upon the said judgment, particularly in paragraph 29 of the impugned order, and has correctly applied the settled principles of law to the facts of the case.
12. In reply, Mr. Verma submitted that the decision in ***Ashoka Marketing Ltd.*** (supra) primarily deals with the powers of the Estate Officer under the relevant statute. He argued that the relief sought in the present writ

petition pertains to the constitutionality and vires of an executive action, and questioned as to how an Estate Officer, within the scope of his jurisdiction, could adjudicate upon or sit in judgment over the constitutionality or validity of such executive action.

13. Having heard learned counsel for the parties and on careful perusal of the record and the impugned judgment, this Court finds no merit in the submissions advanced on behalf of the appellants.
14. The principal contention of the appellants that the present writ appeals are distinguishable from WA No. 35 of 2026 on the ground that, in the earlier writ petition, the policy itself was not challenged, whereas in the present batch the constitutionality of the resolutions of the Board of Directors of SAIL dated 21.07.2008 and 25.07.2008 has been specifically assailed, does not persuade this Court. A perusal of the impugned judgment reveals that the learned Single Judge has duly taken note of the challenge to the policy decision and has examined the same in the light of settled legal principles governing executive policy, contractual obligations, and the rights of lessees under public authority allotments.
15. The argument that there is no finding by the learned Single Judge on the prayer seeking declaration of the Board resolutions as unconstitutional is also without substance. The learned Single Judge, while upholding the validity of the policy decision, has implicitly and expressly rejected the challenge to its vires by holding that the respondent–SAIL, being the owner of the land, is competent to frame a uniform policy governing renewal of leases and to prescribe terms and conditions for such renewal. The rejection of the writ petitions

necessarily entails rejection of the challenge to the constitutionality of the policy, and the absence of a separate paragraph using the expression “unconstitutional” does not render the judgment perverse or incomplete.

16. The reliance placed by the learned Single Judge on the judgment of the Constitution Bench of the Hon'ble Supreme Court in ***Ashoka Marketing Ltd. v. Punjab National Bank, (1990) 4 SCC 406***, cannot be said to be misplaced. Though the said judgment arose in the context of powers of the Estate Officer, it authoritatively lays down the principle that where public premises belong to a statutory or public authority, the rights of occupants are governed primarily by the terms of allotment and the policy framed by the authority, and such policy decisions, unless shown to be arbitrary, discriminatory, or violative of constitutional mandates, are not open to judicial interference. The challenge raised by the appellants essentially pertains to the terms of renewal of lease, which flow from a policy decision of SAIL, and not to any legislative action requiring strict scrutiny of vires.
17. This Court also finds that the appellant, having accepted the original lease deeds which were for a fixed tenure, cannot claim a vested or indefeasible right to renewal on the same terms, particularly when the lessor has, prior to the date of renewal, framed a uniform policy applicable to all similarly situated lessees. The plea that charging renewal charges, enhanced ground rent, and service charges violates the original lease conditions cannot override the lessor's right to prescribe terms for renewal, which is a fresh contractual arrangement and not an automatic extension of the original lease.

18. The absence of any demonstrated arbitrariness, discrimination, or violation of Article 14 of the Constitution in the impugned policy further weakens the appellant's case. Mere financial burden or enhancement of charges, by itself, does not render a policy unconstitutional.
19. In view of the aforesaid discussion, this Court is of the considered opinion that the learned Single Judge has rightly dismissed the batch of writ petition after due appreciation of facts and law. No ground is made out for interference in intra-court appellate jurisdiction. The queries raised by the learned counsel for the appellant stand answered accordingly.
20. Further, while dismissing Writ Appeal No. 35 of 2026, arising out of WPC No. 2606 of 2025, by order dated 02.02.2026, which was heard analogously with the present batch and dismissed by a common order dated 31.10.2025, though arising from a distinct cause of action, this Court has already considered and adjudicated upon the issues which also arise for consideration in the present writ appeal. In the said decision, this Court observed as under:

*“17. Upon careful consideration of the rival submissions advanced by learned counsel for the parties, and on a cumulative reading of the pleadings, documents placed on record and the law governing renewal of leases of public premises, we are of the considered opinion that the learned Single Judge has exhaustively analysed the nature of rights, if any, surviving in favour of the appellants after expiry of the original lease by efflux of time and has rightly held that there is no automatic or vested right of renewal. The relevant clauses of the lease deeds unequivocally vest discretion in the lessor to grant renewal on such terms and conditions as may be decided by it, clearly indicating that*

*renewal is a fresh grant and not an extension as of right. The findings recorded in this regard are fully in consonance with the statutory scheme under the Transfer of Property Act as well as the binding precedents of the Hon'ble Supreme Court.*

18. *We also find no infirmity in the conclusion drawn by the learned Single Judge that mere acceptance of occupation charges or issuance of a conditional offer letter does not ipso facto give rise to a tenancy by holding over under Section 116 of the Transfer of Property Act, particularly when renewal is expressly made subject to revised terms and compliance with a board-approved policy. The contention of the appellants seeking creation of rights based on holding over has rightly been repelled in view of settled legal principles.*

19. *The impugned demands raised by respondent-SAIL are founded upon a uniform, board-approved lease renewal policy, applicable to all similarly situated lessees, and are based on valuation carried out by certified professionals. The learned Single Judge has correctly held that historical lease rates or past concessions cannot estop a public authority from revising its policy in tune with present-day market realities and administrative prudence. No material has been placed before us to demonstrate arbitrariness, discrimination or mala fides in fixation of the impugned charges.*

20. *We also concur with the view that the properties in question constitute public premises, and disputes relating to continuation, renewal or eviction are governed by the statutory mechanism under the Public Premises (Eviction of Unauthorized Occupants) Act, 1971. The scope of judicial review under Article 226 in such matters is limited, and unless manifest illegality or violation of constitutional guarantees is shown, the Court would refrain from*

*substituting its wisdom for policy and commercial decisions of the competent authority.*

*21. The reliance placed by the appellants on judgments cited on their behalf has been duly considered by the learned Single Judge and rightly distinguished on facts and applicability. We find no perversity, legal infirmity or jurisdictional error in the impugned order warranting interference in exercise of our appellate jurisdiction.*

*22. In view of the foregoing discussion, we are of the firm opinion that the writ appeal is devoid of merit. The appellants have failed to establish any enforceable legal right to renewal of lease on the original terms or to assail the validity of the renewal conditions imposed by respondent–SAIL.*

21. Having gone through the materials on record, it is evident that rest of the facts and issue involved in this appeal is identical to WA No. 35 of 2026, this Court deems it appropriate not to take a view other than what has been taken in WA No. 35 of 2026.

22. Consequently, all the writ appeals are **dismissed** being devoid of merit.

No order as to costs.

**Sd/-**  
**(Ravindra Kumar Agrawal)**  
**Judge**

**Sd/-**  
**(Ramesh Sinha)**  
**Chief Justice**