IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 9803 OF 2015

Kashinath Hemraj Patil
(died through L.Rs.)
Gulab S/o Kashinath Patil
Age 47 years, Occ. Labour
R/o. Room No. 32,
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

1. The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra

2. Omnarayan Industries & Developers
Pvt. Ltd. Through its Director
Mr. Niraj Dipchandji Agrawal
Age 42 years, Occu:- Business
R/o At post Amalner, Taluka Amalner.
Dist. Jalgaon. … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9827 OF 2015

Suresh Mohan Patil
Age 60 years, Occ. Labour
R/o. Room No. 3,
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon,
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9811 OF 2015

Shantaram Eknath Barskar
(died through L.Rs.)

Smt. Sangita Chandrakant Barskar
Age 56 years, Occ. Labour
R/o. Room No. 38, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner, District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9825 OF 2015

Smt. Sayyad Rijvanabi Kachoddin
Age 55 years, Occ. Labour,
R/o. Room No. 6, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9816 OF 2015

Kondiram Yeshwant Virkar
Age 66 years, Occ. Labour
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner, District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant, (General Administration)
Pratap Spinning, Weaving and manufacturing
Company Limited Amalner,
Taluka Amalner, District Jalgaon.
A Company of Maharashtra Textile Corporation,
Mumbai, Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9828 OF 2015

Smt. Vatsalabai Bajrang Kochle
Age 60 years, Occ. Labour
R/o. Room No. 35,
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner,
District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9831 OF 2015

Dnyandev Narsing Shelke
Age 56 years, Occ. Labour
R/o. Room No. 28-A,
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner,
District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9813 OF 2015

Ishwar Gopinath Vir
(since deceased through L.Rs.)

1. Smt. Trivenabai Ishwar Vir
Age 75 years, Occ. Household

2. Rameshwar Gopinath Vir
Age 52 years, Occ. Service
Both R/o. Plot No. 6/14,
Khokadpura, Aurangabad,
District Aurangabad. …Petitioners
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner
District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9035 OF 2015

Sopan S/o Dnyanu Bangar
Age 55 years, Occ. Labour
R/o. Room No. 47,
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner
District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9807 OF 2015

Smt. Shobha Ashok Shinde
Age :- 55 years, Occ. Labour
R/o. Room No. 21, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9832 OF 2015

Takatram Hemraj Vyas
Age 70 years, Occ. Labour
R/o. Room No. 23, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9814 OF 2015

Mohan Balaji Satpute
Age 53 years, Occ. Labour
R/o. Room No. 45, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9810 OF 2015

Kashinath S/o Vithoba Babar
Age :- 59 years, Occ. Labour
R/o. Room No. 20, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9805 OF 2015

Kondiram Yashwant Virkar
Age 66 years, Occ. Labour
R/o. Room No. 5, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9806 OF 2015

Ashok Narayan Bhavsar
Age :- 58 years, Occ. Labour
R/o Room No. 13, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra

...Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9815 OF 2015

Brijlal Maharu Patil
Age 56 years, Occ. Labour
R/o. Room No. 49, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9826 OF 2015

Shivaji Maroti Potle
Age 54 years, Occ. Labour
R/o. Room No. 44, Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra

...Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9804 OF 2015

Ganesh Murlidhar Sonar
(died through L.Rs.)
Sumit Ganesh Sonar
Age 38 years, Occ. Labour
Pratap Mill Gin Chawl, Amalner,
Taluka Amalner, District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

WITH
WRIT PETITION NO. 9812 OF 2015

Vijay Ramdas Killedar
Age 51 years, Occ. Labour
R/o. Room No. 26,
Pratap Mill Gin Chawl,
Amalner, Taluka Amalner,
District Jalgaon. … Petitioner
(Ori. Opponent)

Versus

The Senior Consultant
(General Administration)
Pratap Spinning, Weaving and
Manufacturing Company Limited
Amalner, Taluka Amalner, District Jalgaon
A Company of Maharashtra Textile
Corporation, Mumbai
Government of Maharashtra … Respondent
(Ori. Appellant)

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Mr. C. V. Dharurkar, Advocate for the Petitioners in all Petitions.

Mr. P. R. Katneshwarkar, Senior Advocate i/by Mr. Rahil Kazi and Mr. S. V. Dankh, Advocate for Respondent No.1 in WP No. 9803 of 2015 and for the sole respondent in rest all Petitions.

Mr. Mohit Shah, Advocate for Respondent No.2 in WP No. 9803 of 2015.

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CORAM : ABHAY S. WAGHWASE, J.

Reserved on : 20.04.2026
Pronounced on : 16.06.2026

JUDGMENT :

1. Rule. Rule made returnable forthwith.

2. Petitioners herein, by invoking Article 226 and 227 of the Constitution of India, take exception to the judgment and order passed by learned District Judge-1, Amalner in Civil Appeal No. 34 of 2009 and other respective Civil Appeals, arising out of the order passed by Resident Deputy Collector, Jalgaon in Eviction Case No. 4 of 2008 and other respective Eviction Cases.

3. Before touching the merits of the petition, it would not be out of context to also mention that, during the course of initial hearing, finding there to be an element of settlement of controversy, as there was an alternate premises offered by respondent no.2 (Om Narayan

Industries), this Court, in presence of Mr. V. D. Hon, learned senior counsel earlier representing the petitioners as well as learned senior counsel Mr. Katneshwarkar, has passed a speaking order on 18.03.2026. However, subsequently, petitioners have engaged new counsel Mr. Dharurkar thereby retracting from the earlier agreement to accept alternate premises and to give undertaking to that extent. In the light of such subsequent events, respondent Government company as well respondent no.2 in WP 9803 of 2015 (Om Narayan Industries) were constrained to withdraw their earlier undertakings to accommodate petitioners along with others in the proposed newly constructed alternate premises to be erected by respondent no.2. The respective pursis dated 20.04.2026 filed by respondent nos. 1 and 2 are taken on record and the earlier undertakings by them accordingly stand withdrawn.

4. In brief, case of petitioners herein is that, they were employees of Pratap Spinning, Weaving and Manufacturing Company (for short, “company”) and by virtue of their employment, they were allotted rooms for residential purpose situated in land Gat No. 227 which was originally owned by one Vijay Baburao Mudhe and who had executed lease deed in favour of the company way back in 1910 but only for a period of 50 years and said lease period had come to an end in 1960

itself. That said company initially, after taking land on lease, had erected rooms as residential quarters for staff, and being employees of the said company, petitioners were inducted in the said premises and they were legally occupying the same by paying rent levied by the company.

5. It is further contention of the petitioners that, the company came to be closed in September 2001 and therefore, original lessor Vijay Mudhe executed sale deed of the suit property in favour of respondent no.2 in Writ Petition No. 9803 of 2015, who was a builder, and necessary entries to that extent were incorporated in the property extract.

6. It is further contention of the petitioners that, after the winding up process of the company, the employees were given option of going for Voluntary Retirement Scheme (VRS) and that, from the amount that was payable to the employees, the company had deducted amount towards valuation of the room occupied by them as per market rate. It is submitted that even some of the employees were given option to take benefit of alternate premises in lieu of the premises occupied by them by declaring a scheme.

7. Further, according to the petitioners, respondent company instituted Eviction Case No. 4 of 2008 and other respective Eviction Cases under the provisions of Sections 4 and 5 of the Bombay Government Premises (Eviction) Act (for short, 'Eviction Act'), claiming itself to be a Government company by virtue of share of 99.95%, the property to be Government premises. That, said authority, i.e. Resident Deputy Collector (RDC), was pleased to reject the applications filed by respondent company by common order dated 17.07.2009, which was challenged by the respondent company before court of District Judge-1, however, according to petitioners, without any sufficient cause and reason, said appeals have been allowed by setting aside the order of Resident Deputy Collector which was legally valid and sustainable.

8. Learned counsel Mr. Dharurkar appearing for petitioners would point out that, appellate court had completely lost sight of the fact that relationship of employer-employee had come to an end and moreover, it could not be the sole criteria for adjudicating the issue between the parties.

9. Learned counsel also submitted that, though it is not disputed by the petitioners that the suit property was of company, but by virtue

of communication and decision of State Cabinet dated 11.03.2003, ownership rights were bestowed on the petitioners. That, by virtue of above decision, petitioners were eligible and entitled for transfer of ownership in their name. That, it being a policy decision, is very much binding on respondent Maharashtra State Textile Corporation and all persons claiming through them. It is further submitted that petitioners being beneficiaries of the scheme, have a legitimate expectation of bestowing ownership rights.

10. Learned counsel took exception to the applicability of provisions of the Eviction Act on the ground that, in view of Mutation Entry, land is already marked as Group-C land and therefore, it having become a private premises, mere intervention by Government would not itself change the nature of the land as Government land.

11. It is further pointed out that, cost of the premises is adjusted from the service benefits accruing to petitioners and as such, workers like petitioners have vested financial rights for adjustment of funds retained by the company.

12. As regards to offering alternate premises is concerned, it is pointed out that once respondent authority had carried out

measurement and had got valuation done by accepting the amount, respondent company cannot alter the position by offering alternate premises and therefore there is no further question of petitioners accepting the same by vacating the premises legally occupied by them.

13. Per contra, learned senior counsel Mr. Katneshwarkar supports the order passed by learned District Judge dated 29.06.2015 and urges to not to interfere in the same. It is his submission that, respondent Company is a registered company wherein Maharashtra State Textile Corporation holds 99.95% of the paid up share capital which is substantially more than required 51% shareholding and as such, it had become Government of Maharashtra undertaking. It is his submission that present petitioners were erstwhile employees of the mill/company who were indisputably allotted residential quarters but the same were meant to be occupied only during the tenure of their employment which was a mere facility incidental to the service, but by virtue of closure of the respondent company w.e.f. 30.09.2001 and all employees including petitioners, who were offered Voluntary Retirement Scheme, having duly accepted the same, are legally bound to honour the agreement reached at between the company as well as the union of which petitioners are admittedly members.

14. It is further pointed out that, there was settlement agreement between company and employees and terms of agreement were drawn and signed by authorized representatives of all employees and by virtue of clause (7), once having opted VRS, all employees were duty-bound to peacefully vacate and hand over possession of residential quarters allotted to them and it was decided that only thereafter there would be final payment, including gratuity and ex-gratia amount to be released.

15. Learned senior counsel further pointed out that petitioners had accepted the VRS package, received full and final settlement of all their dues, but in spite of so, petitioners have refused to vacate the residential premises owned by the company thereby committing breach of agreement. That, currently petitioners are unauthorized occupants.

16. It is further pointed out that, pursuant to policy by Government, an alternate accommodation was offered to all the workers and out of 48 residents, 28 occupants have already accepted alternate accommodation and have further shifted to the new premises by voluntarily handing over peaceful and vacant possession

of the respective quarters, however, present petitioners have refused to do so and have rather continued to be unauthorized occupants, in consequence to which, after legal notice dated 01.04.2008 and 04.04.2008, provisions under Sections 4 and 5 of the Eviction Act were invoked and thereafter proceedings were instituted before the Resident Deputy Collector who was nominee of Collector, but said authority failed to appreciate that leased property fell within the definition of Government premises under the Act and such mistake was rightly rectified by learned District Judge and therefore, he urges for dismissal of Writ Petition for want of merits.

17. In the light of above controversy, this Court is called upon to address whether at the threshold respondent company is a Government undertaking and secondly, whether petitioners herein, having retired, are unauthorized occupants of the residence provided by the company and are thus liable to vacate the same. These are the issues which are central to the instant controversy.

18. On study of the stand taken by present petitioners, more particularly in reply to the Eviction Proceedings by present respondent before the competent authority RDC, which is a fora provided under the above statute to deal with issues arising to that

extent, the following points seem to be raised by the petitioners herein :

Firstly, there is denial of property in dispute to be Government property and therefore provisions of Government Premises Eviction Act to be not getting attracted.

Secondly, property in question has, after the determination of lease, become a private property.

Thirdly, company having closed since 30.09.2001, has no right to initiate eviction action as company is neither owner nor lessee of the property. That, therefore company has no locus to initiate action of eviction.

Lastly, the petitioners are in lawful possession and occupation of their residential quarters for more than 60 years and amount equivalent to the cost of premises has already been deducted by the company. Consequently, they cannot be said to be unauthorized occupants and so liable to be evicted.

19. Before testing the merits of the contentions of each of the sides, in view of the above discussed controversy raised by the petitioners, it would be apt to deal with as to **what is meant by "Government premises"**, as provisions of the Maharashtra Government Premises (Eviction) Act have been brought into play. Section 2(b) of the said Act defines "Government premises" as under :

> *"(b) 'Government premises' means any premises belonging to, or taken on lease by the State Government, and includes the premises requisitioned or continued under requisition under the Bombay Land Requisition Act, 1948 and allotted by the State Government for any non-residential purpose to any department or office of the State Government or Central Government or any public sector undertaking or corporation owned or controlled fully or partly by the State Government or any cooperative society registered under the Maharashtra Co-operative Societies Act, 1960 or any foreign consulate, by whatever name called, and on the date of coming into force of the Bombay Rents, Hotel and Lodging House Rates Control, Bombay Land Requisition and Bombay Government Premises (Eviction) (Amendment) Act, 1996, are in their occupation or possession; and any premises taken on behalf of the State Government on the basis of tenancy or other like relationship by, or in the name of, any officer subordinate*

to the State Government authorised in this behalf and also includes any premises belonging to, or taken on lease or held by, or on behalf of

(i) any company as defined in section 3 of the Companies Act, 1956, in which not less than fifty-one per cent., of the paid-up share capital is held by the State Government;

(ii) any Corporation (not being any such company or a local authority) established by or under any Central or State Act and owned or controlled fully or partly by the State Government

(iii) a Waqf, registered with the Maharashtra State Board of Waqfs;" (emphasis laid)

20. Here, contentions of respondent company that the respondent is a Maharashtra State Textile Corporation undertaking and is a Government company within the meaning of Section 2(45) of the Companies Act, is neither denied nor refuted. Further, there is no challenge to the contention of respondent that the paid-up share capital of respondent company is 99.95% which apparently exceeds the threshold of 51% to fall into the category of 'Government company'.

In the light of above definition, here, there should be no hesitation to hold that the premises indisputably constructed by respondent Government company over the leased land are **Government premises** and are owned by Government.

21. Having put this issue to rest, now, it is necessary to ascertain whether action of respondent company herein for seeking eviction under Section 4 of the Eviction Act is justified or not.

Section 4 of the Eviction Act, for ready reference, is reproduced below :

> *"**4. Power to evict :** (1) If the competent authority is satisfied—*
>
> *(a) that the person authorised to occupy any Government premises, has whether before or after the commencement of this Act,—*
>
> *(i) not paid rent lawfully due from him in respect of such premises for a period of more than two months, or*
>
> *(ii) sub-let the whole or any part of such premises, without the permission of the State Government, or the competent authority, or the officer who has or in whose name the premises are taken on behalf of the*

State Government, or any other officer designated by the State Government in this behalf, or

(iia) committed, or is committing, such acts of waste as are likely to diminish materially the value, or impair substantially the utility, of the premises, or

(iii) otherwise acted in contravention of any of the terms, express or implied, under which he is authorised to occupy such premises, or

(b) that any person is in unauthorised occupation of any Government premises, or

(c) that any Government premises named are required for any other Government purposes the competent authority may, by notice served (i) by post, or (ii) by affixing a copy of it on the outer door or some other conspicuous part of such premises, or (iii) in such other manner as may be prescribed, order that person as well as any other person who may be in occupation of the whole or any part of the premises, shall vacate them within one month of the date of the service of the notice.

(2) Before an order under sub-section (1) is made against any person the competent authority shall issue in the manner hereinafter provided a notice in writing calling upon all persons concerned to show cause why an order of eviction should not be made.

The notice shall—

(a) specify the ground on which the order of eviction is proposed to be made; and

(b) require all persons concerned, that is to say, all persons who are, or may be, in occupation of, or claim interest in, the Government premises, to show cause, if any, against the proposed order, on or before such date as is specified in the notice.

If such person makes an application to the competent authority for extension of the period specified in the notice, the competent authority may grant the same on such terms as to payment and recovery of the amount claimed in the notice, as deems fit.

Any written statement put in by any person and documents produced in pursuance of the notice shall be filed with the record of the case and such person shall be entitled to appear before the officer proceeding in this connection by advocate, attorney or pleader.

The notice to be served under this sub-section shall be served by having it affixed on the outer door or on some conspicuous part of the premises, and in such manner as may be prescribed; and thereupon the notice shall be deemed to have been duly given to all persons concerned.

(3) If any person refuses or fails to comply with an order made under sub-section (1), the competent authority may evict that person from, and take possession of, the premises and may for that purpose use such force as may be necessary.

(4) The competent authority may, after giving fourteen clear days' notice to the person from whom possession of the Government premises has been taken under sub-section (3) and after publishing such notice in the Official Gazette and in at least one newspaper having circulation in the locality, remove or cause to be removed or dispose of by public auction any property remaining on such premises. Such notice shall be served in the manner provided for service of notice under sub-section (1).

(5) Where the property is sold under sub-section (4), the sale proceeds shall, after deducting the expenses of sale, be paid to such person or persons as may appear to the competent authority to be entitled to the same :

Provided that where the competent authority is unable to decide as to the person or persons to whom the balance of the amount is payable or as to the apportionment of the same, he shall refer such dispute to a civil court of competent jurisdiction, and the decision of the court thereon shall be final.

(6) If a person who has been ordered to vacate any Government premises for the reasons specified in sub-clause (i) or (iii) of clause (a) of sub-section (1) within one month of the date of service of the notice or such longer time as the competent authority may allow, pays to the said competent authority the rent in arrears or carries out or otherwise complies with the terms contravened by him

to the satisfaction of the said competent authority, as the case may be, the said competent authority shall in lieu of evicting such person under sub-section (3), cancel its order made under sub-section (1) and thereupon such person shall hold the premises on the same terms on which he held them immediately before such notice was served on him.

Explanation : For the purposes of this section and section 5, the expression "unauthorised occupation" in relation to any person authorised to occupy any Government premises, includes the continuance in occupation by him or by any person claiming through or under him of the premises after the authority under which he was allowed to occupy the premises has been duly determined."

Here, the above Act provides for Resident Deputy Collector to be the competent authority to initiate action of eviction of Government premises.

22. Before the competent authority RDC, parties have adduced evidence. On behalf of company, Senior Advisor Mr. N. S. Patil, after reiterating its stand, gave following answers while under cross :

That, information regarding purchase transaction of the land is available; although ownership rights of the land are with purchaser,

possession of the land is with the Mill; the mill has completely closed since 30.09.2001; lease deed was executed on 04.04.1910 for a period of 50 years and **lease has expired on 04.04.1960**; **however there is clause that land can be kept in possession even after expiry of lease period**; no renewed/extended lease deed has been executed or filed, but **if demanded, the same can be produced on record**; **company has entered into a settlement with the workers as per agreement**; valuation of the land has been deducted as per the measurement given by opponents and valuation amount has been deducted on consent; that, it is not necessary to make owners of the land as parties to the proceedings.

23. Therefore, what is emerging from above discussed material is that, possession of the land was with respondent company and though the lease duration was up to 1960, there is a stipulation explicitly stating that land can be kept in possession even after expiry of lease period. Only valuation of land has been deducted and not value of structure occupied by the petitioners.

24. On further scrutiny of the record, it is emerging that on behalf of present petitioners, one Sopan Gyanu Bangar contested proceedings and he too, after reiterating their stand, while facing

cross examination, gave following answers :

The entire Pratap Mill was closed on 30.09.2001; thereafter, after taking VRS, **opponents have received entire amount and nothing remains due and payable**; after closure of the mill, question of payment of rent does not arise; it was not within the knowledge of the witness whether Maharashtra State Textile Corporation is ready to give alternate accommodation of 225 square feet to some employees and that, such houses have been given free of cost to some workers; **it is true that they (petitioners) are members of Rashtriya Mill Mazdoor Union**; it is not within knowledge of this witness whether any agreement was executed between Union and Maharashtra State Textile Corporation; **amount has not been paid as per agreement entered into by the Union**; **notice was issued for vacating quarters**; it is not true that, they are in unauthorized occupation of the mill quarters.

25. Above answers denote that petitioners, after closure of the Mill, have accepted VRS. There is acknowledgment of respondent company offering alternate premises, apart form acknowledging petitioners to be members of Rashtriya Mill Mazdoor Union. Though in cross ignorance is expressed about any agreement between Union and

Maharashtra State Textile Corporation, the settlement agreement is a part of record. Equally there is acknowledgment of receipt of notice to to vacate.

26. What can be discerned from above discussion is that, the following can be said to be the admitted position :

[1] Respondent Pratap Mill taking land on lease from original owner Mudhe for a period from 1910 to 1960.

[2] By virtue of 99.95% paid-up share capital, respondent company is a Government undertaking.

[3] After having taken land on lease, respondent Government company constructed and erected residential quarters for the employees including petitioners herein and same are Government premises.

[4] Even after expiry of lease period on 04.04.1960, respondent company retained possession by virtue of clause/covenant in the lease deed.

[5] The respondent Government company came to be closed and got shut down on 30.09.2001.

[6] Settlement agreement dated 27.09.2001 reached at between respondent Government company on one hand and employees' union namely, Rashtriya Mill Mazdoor Union of which present petitioners are members.

27. The substance of above discussion is that, present respondent is a **"Government undertaking"** and during functioning of the mill, residential quarters for staff were erected over land taken on lease and the same were occupied by petitioners in the capacity of employees. There is admission in cross by petitioners that mill has closed down on 30.09.2001 and that, VRS scheme has been implemented and petitioner have availed the same also.

28. The primary and fundamental contention of the petitioners is that, after expiry of lease period i.e. on 04.04.1960, respondent had no locus to seek eviction. To such contentions, learned senior counsel Mr. Katneshwarkar has invited attention of the Court to clauses (7) and (8) of the settlement agreement, which is placed on record, and for ready reference, translated version of the said clauses are reproduced as under ;

> *"7. The residential quarters allotted to the employees of Pratap Mill, Amalner—comprising workers, clerical staff, supervisory personnel, and officers—which are currently in their possession, shall be peacefully vacated by said employees; the vacated premises shall then be handed over to the Mill Management. Subsequently, the final dues payable under the Voluntary Retirement Scheme—specifically gratuity and the ex-gratia/gracious amount—shall be disbursed.*

> *8. Pratap Mill, Amalner, shall be free to dispose of the mill's plant, machinery, buildings, land (whether held under lease or otherwise), and/or other assets; furthermore, no employee, worker, or officer—whether or not they have opted for the Voluntary Retirement Scheme —nor anyone acting on their behalf, shall cause any obstruction or hindrance to the proceedings intended for the disposal of said assets."*

29. As submitted by learned senior counsel Mr. Katneshwarkar, indeed a bare reading of Clause 7 makes it crystal clear that, firstly, all residential quarters allotted to and in occupation of the employees of Pratap Mill, Amalner shall be peacefully vacated by the respective employees; secondly, possession of vacated quarters shall be handed over to the Mill Management and thirdly, only after such process of handing over of peaceful possession, the final dues under the VRS i.e. gratuity and ex-gratia amount would be released. Further, as rightly submitted by learned senior counsel for respondent, having accepted VRS, the petitioners are now estopped from denying their obligation to vacate the quarters.

30. Again, as rightly submitted by learned senior counsel Mr. Katneshwarkar, clause 8 of the settlement agreement is of utmost significance and it directly answers the petitioner's defence, as it

provides for Pratap Mill to be free to dispose of its plant, machinery, buildings, and any other assets. It also provides that no employee/worker/officer, whether opted VRS or not, nor any person on their behalf shall obstruct or interfere with the intended disposal of the property.

Consequently, with such stipulation, petitioners, who are members of the union which is signatory to the settlement, now cannot resile and reclaim or assert ownership rights over the premises occupied by them during their service tenure as undeniably they have all accepted VRS.

31. In the sale deed between original owner Mudhe and respondent no.2 in Writ Petition No. 9803 of 2015, there is covenant and its translated version is as under :

> *"The subject property has been leased to The Pratap Spinning and Weaving and Manufacturing Company Limited, Amalner, and remains under their possession. The company's machinery and other movable assets situated on the said premises have been fully liquidated, and the term of the lease agreement has also expired. Consequently, you are required to take possession of the*

said property directly from the aforementioned company. You shall bear, at your own expense, all costs incurred in the process of taking such possession. We undertake to provide you, from time to time, with all necessary legal documentation required for you to take direct possession and control of the said property, and we shall extend all requisite legal cooperation in this regard. Should you take such possession directly, we shall have no objection or complaint whatsoever."

Resultantly, even after property changed hands, respondent company has right and interest over the infrastructure available on the leased land.

32. It is also the contention of petitioners that, after 1960, due to extinguishment of lease tenure, respondent Government company has no locus. However, in the lease deed placed on record (document no. 653A), one comes across a covenant on page 5 which provides for retention of possession over leased property by respondent company even after expiry of 50 years lease period on yearly rent of Rs.425/-. Translated version of said clause at page 5 of the lease deed reads as under :

"……. The said Company is fully authorized to utilize the property in any manner it deems fit for its enjoyment. Upon the expiration of the aforementioned fifty-year term,

should the Company wish to retain the possession of the said property, it shall have the right to continue utilizing it subject to such terms and conditions as the Company may determine at its sole(own) discretion; provided, however, that subsequent to the fifty-year term, the Company shall pay an annual rent of ₹425. ……."

33. Resultantly, in the light of explicit clause demising continuation of the lease even after its expiry, it bestows right over the Government company to reclaim the property erected by it even after expiry of lease period. The specific covenant creates right in the Government Company to seek peaceful possession by virtue of eviction. When there is clear acknowledgment by petitioners regarding premises to be erected by respondent company, they cannot resist eviction on the ground that they are legally inducted and occupying the same, as their service tenure has already come to an end. This aspect seems to have been lost sight of by the competent authority RDC and was therefore rightly considered by the appellate authority, i.e. learned District Judge-1, by allowing the appeal of respondent. Though petitioners have stated that market price of the premises is deducted and liberty is sought to refer and rely upon the receipt of such deduction of amount from VRS benefit amount at the time of hearing, no such record or anything in black and white has been brought to the notice of this Court so as to accept such contentions.

34. In the light of above discussion, to sum up, this Court is of the considered opinion that respondent is a Government company and is the owner of the structures erected over the leased land which thus happen to be Government premises, and therefore respondent company is justified in seeking eviction. The learned first appellate court has correctly appreciated the evidence on record and committed no error in setting aside the order of competent authority RDC. There being no merits in the writ petitions, the following order is passed :

ORDER

I. The writ petitions are dismissed.

II. Rule stand discharged.

III. In view of the order of this Court in Writ Petition No. 9035 of 2015 dated 08.09.2015, wherein statement was made by learned counsel for respondent agreeing that impugned order would not be executed till next date, the effect and operation of this order shall not take effect for a period of eight weeks from today, as petitioners intend to approach the Hon'ble Apex Court.

[ABHAY S. WAGHWASE, J.]

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