2026:AHC:106768-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 3056 of 2020

AFR

Reserved on 02.12.2025

Delivered on 08.05.2026

Jai Shakti Realcon

…..Petitioner(s)

Versus

State of U.P. and 3 others

…..Respondent(s)

Counsel for Petitioner(s)	:	Adarsh Bhushan, Amit Upadhyay, Mukesh Prasad(senior Adv.), Syed Safdar Ali Kazmi
Counsel for Respondent(s)	:	C.S.C.

Along with :

WRIT - C No. - 18896 of 2019

Jai Shakti Realcon

…..Petitioner(s)

Versus

State of U.P. and 3 others

…..Respondent(s)

Counsel for Petitioner(s)	:	Adarsh Bhushan, Amit Upadhyay, Shri Mukesh Prasad (Senior Advocate)
Counsel for Respondent(s)	:	C.S.C.

HON'BLE SARAL SRIVASTAVA, J.
HON'BLE SUDHANSHU CHAUHAN, J.

(Delivered by Hon'ble Saral Srivastava,J.)

1. Heard learned counsel for the petitioner and Sri Kartikey Saran, learned Additional Advocate General assisted by Sri Rajeshwar Tripathi, learned Chief Standing Counsel-II for the State-respondents.

2. In Writ-C No.18896 of 2019, the petitioner has assailed the show cause notice dated 24.04.2019 and notice dated 21.05.2019 issued by District Magistrate, District Fatehpur seeking recovery of Rs.7,74,18,000/- of second and third installment towards royalty due on 01.01.2019 and 01.04.2019.

3. The petitioner in Writ-C No.3056 of 2020 has assailed the order dated 01.01.2020 passed by the District Magistrate, Fatehpur by which the mining lease of the petitioner has been determined and petitioner's firm has been blacklisted for two years.

4. For convenience, the facts have been delineated from Writ-C No.3056 of 2020.

5. The facts, in brief, are that a lease deed was executed on 29.11.2018 and registered on 30.11.2018 for a period commencing from 29.11.2018 to 28.11.2023 for mining sand/moram with regard to the area known as Khand No.K-4, Gata No.391 Mi, measuring 40.48 hectares situated in Village Korrakanak, Tehsil and District Fatehpur at a price of Rs.255/- per cubic meter. The petitioner before execution of lease deed deposited Rs.3,87,09,000/- towards security and an equal amount as first installment of royalty.

6. According to the petitioner, after commencement of mining operation, the District President of Bhartiya Janta Party (BJP) filed a complaint against the petitioner for illegal mining. The District Magistrate taking cognizance of the said complaint, sent a team of SDM, Fatehpur alongwith the team of Revenue Officers to inspect the mining area of the petitioner.

7. The District Magistrate, thereafter, submitted a report on 31.12.2018 to the Principal Secretary, Geology and Mining, U.P., stating therein that no illegal mining activity was found in the petitioner's area.

The State Government also constituted a team which conducted spot inspection and found no illegal mining operation.

8. The petitioner states that he on 08.02.2019 submitted an application before the District Magistrate, Fatehpur stating therein that since most part of land allotted to the petitioner had submerged in the water, and in the remaining area on excavation upto one meter, water comes out due to which mining operation is arduous, therefore, the quantity of mineral be reduced accordingly.

9. It is stated that pursuant to the application of petitioner, a survey by Regional Office, Prayagraj on 06.03.2019 was conducted. As per survey report, some area of the petitioner was across the river towards boundary of District Banda.

10. The petitioner, thereafter, again on 11.03.2019 submitted an application to the District Magistrate, Fatehpur on the basis of survey report dated 11.03.2019 requesting him to get the mining area re-surveyed and demarcated again. It is stated that the District Magistrate, Fatehpur in pursuance to the petitioner's letter dated 11.03.2019 sent a letter dated 14.03.2019 to the District Magistrate, Banda to appoint a team of competent authorities of district Banda for demarcation of the area.

11. Thereafter, an inspection was conducted by the team of Naib Tehsildar, Fatehpur, District Mines Officer, Fatehpur and Surveyor, Regional Office, Prayagraj, Lekhpal Revenue Inspector etc. who submitted a report dated 02.04.2019. However, the revenue team of District Banda was not present on the spot at the time of inspection on 02.04.2019.

12. It transpires that the petitioner did not deposit the second and third installment of royalty of first year amounting to Rs.7,74,18,000/- which led the District Magistrate, Fatehpur to issue a notice dated 12.04.2019 asking the petitioner to deposit the second and third installment otherwise the same shall be recovered as arrears of land revenue.

13. In the meantime, the District Magistrate, Fatehpur wrote a letter dated 20.04.2019 to the District Magistrate, Banda again requesting him to constitute a team for demarcating the mining area allotted to the petitioner.

14. The petitioner, thereafter, submitted his reply dated 25.04.2019 to the notice dated 12.04.2019 stating therein that he had not been given the entire mining area allotted to him and requested the District Magistrate, Fatehpur to either return the amount deposited by him or to give possession of the entire area allotted to him.

15. The petitioner was again issued a demand notice dated 24.04.2019 asking the petitioner to deposit second and third installment. The petitioner, thereafter, challenged the notice dated 24.04.2019 in Writ-C No.18896 of 2019.

16. The petitioner further stated that Director, Geology and Mining, Lucknow vide order dated 25.04.2019 directed for demarcation and resurvey of the mining areas known as K-3 and K-4. As per petitioner's case, it was found in the resurvey and demarcation of land done from 08.05.2019 to 10.05.2019 that some part of the area was on the other side of the river.

17. Further it is the case of the petitioner that petitioner while constructing the approach road near the border of District Banda for transporting mineral from other side of the river was stopped from carrying out mining by the S.D.M., Sadar, Banda on the orders of Commissioner, Chitrakoot Dham, Banda which were passed on a complaint of one Sri Rakesh Tiwari, Proprietor of M/s Radhika Construction, Indira Nagar, Banda. The order of Commissioner, Chitrakoot Dham Banda also states that unless a joint team of high level officers inspects and demarcates the disputed area in village Jauharpur, no mining work should be done.

18. The petitioner also states that if respondents were satisfied that the petitioner had defaulted in paying the due installments, the District Magistrate should have determined the mining lease under Rule 58 (1) of

U.P. Minor Minerals (Concession) Rules, 1963 (hereinafter referred to as ‘Rules, 1963’) expeditiously, but instead the District Magistrate, Fatehpur issued another show cause notice dated 21.05.2019 to the petitioner to explain why due installments mentioned in the notice dated 12.04.2019 and 24.04.2019 have not been paid.

19. In the said notice, the District Magistrate, Fatehpur also called upon the petitioner to show cause as to why action for illegal mining be not taken against him.

20. It transpires that the District Magistrate, Fatehpur again vide notice/order dated 25.07.2019 directed the petitioner to pay Rs.14,10,300/- as an amount of illegal mining and Rs.7,74,18,000/- alongwith interest of second and third installment.

21. The petitioner in paragraph nos.32 and 33 of the writ petition has given the details of mining done by him and royalty paid. The petitioner was served upon another notice dated 09.12.2019 asking him to deposit the due installments, and in the event of failure to make the deposit, the proceeding for termination of lease deed shall be undertaken. Thereafter, the District Magistrate passed an order dated 01.01.2020 determining the lease of the petitioner and blacklisting the firm of petitioner for two years.

22. A counter affidavit has been filed by the respondent-State denying the averments made in the writ petition. It is stated that petitioner was continuously doing mining work but was not depositing the due installments despite repeated notices. Thus, the petitioner had deliberately caused loss of revenue to the State by blocking the leased mining area and has also caused obstruction in proper supply of sand/moram to the general public.

23. It is further stated that one, Anand Shekhar Singh has challenged the recovery certificate dated 13.10.2020 in Writ Petition No.10943 of 2021 which was dismissed by this Court by judgement and order dated 10.08.2021.

24. The respondent also stated that the petitioner was doing mining work and was satisfied by the demarcation report and had deposited Rs.50 lacs on 17.10.2019, which had been adjusted in the fourth installment due on 01.07.2019. It is further stated that after giving notice to the petitioner, the order dated 03.01.2020 terminating the lease of the petitioner has been passed in a just and fair manner.

25. It is also stated that the advertisement dated 17.02.2018 was published in furtherance of the Government Order dated 14.08.2017 which provides that the candidate before participating in E-Tender-cum-E-Auction should inspect the proposed mining area and be satisfied about the quantity of available mineral and the way for transportation.

26. Further, the case of the respondents is that the mining area was available to the petitioner and the petitioner did mining work up to 23.05.2019 and excavated 39329 cubic meters of moram. The respondent also stated that petitioner in his application dated 19.04.2019 informed that mining work could not be done upon the leased area whereas as per E-MM-11 Portal, the petitioner excavated 22448 cubic meter sand/moram in the month of December, 2018, 11059 cubic meter in the month of January, 2019, 3687 cubic meter in the month of February, 2019, 936 cubic meter in the month of March, 2019, 170 cubic meter in the month of April, 2019 and 1039 cubic meter in the month of May, 2019.

27. The respondent stated that on 06.03.2019, on 02.04.2019 and again on 13.05.2019, the petitioner was informed by the team of Directorate regarding demarcation of his leased area, and he was satisfied with the same. The survey report shows that the area of village Kurra Kanak and boundaries of village Jauharpur were not overlapping each other. The petitioner was found involved in doing illegal mining/transportation of mineral due to which, the State suffered loss of revenue to the tune of Rs.14,10,300/-, which was the cost of mineral excavated by illegal mining.

28. Since the petitioner did not deposit the due installments, therefore, for non-payment of due installments, illegal mining and for violating the conditions of lease and Rules, 1963, the lease of the petitioner was determined under Rule 58 of Rules, 1963 and recovery certificate was directed to be issued against the petitioner and petitioner was blacklisted for two years vide order dated 03.01.2020 in a just, fair and legal manner.

29. Rejoinder affidavit has been filed by the petitioner denying the averments made in the counter affidavit. It is stated that filing of Writ Petition No.10943 of 2021 by Anand Shekhar Singh has no effect on the present petition challenging the order dated 03.01.2020 passed by the respondent no.3.

30. Learned counsel for the petitioner has contended that Section 15(3) of the U.P. Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as 'Act, 1957') provides for payment of royalty of the actual quantity of mineral, which has been excavated by the lessee. He submits that condition no.1 of Part-II of the lease deed also stipulates that the lessee is liable to pay royalty only for the quantity of sand/moram removed by him.

31. It is submitted that the petitioner has given the details of quantity excavated by him in paragraph no.32 of the writ petition and the amount of royalty paid by him in respect to the said quantity in paragraph no.33 of the writ petition, and since the petitioner has already paid the royalty of the mineral removed by him, therefore, the petitioner cannot be saddled with any further liability to pay the royalty with respect to the minerals not removed by him. Accordingly, it is submitted that the impugned recovery is illegal and without jurisdiction.

32. It is also submitted that the averments contained in the writ petition and materials enclosed in support thereof clearly establishes that the mining operation on the area allotted to the petitioner was impossible inasmuch as the river had changed it's course due to which certain area allotted to the petitioner fell in the area of adjoining village Jauharpur in

District Banda, and obstructions were created by the authorities of District Banda in carrying out the mining operation by the petitioner.

33. Accordingly, it is submitted that in view of the aforesaid fact, the petitioner cannot be faulted for not carrying out any mining operation, and thus, no recovery of royalty can be made from the petitioner by the respondents for the mineral, which has not been excavated or removed by him.

34. It is lastly urged that Rule 58 (1) of the Rules, 1963 confers power upon the authority to determine the lease deed in case lessee does not deposit the lease rent or any amount due. It is contended that if, for any reason, petitioner did not deposit the installments on the due date, and 30 days notice given to the petitioner to pay due installments has elapsed and the petitioner did not deposit the said installment, the respondents should have immediately invoked power under Rule 58 of the Rules, 1963 and should have determined the lease deed of the petitioner instead of protracting the proceeding to determine the lease resulting in increasing the liability of petitioner manifold. In other words, it is urged that Rule 58(1) of the Rules, 1963 does not give discretion to the District Magistrate, Fatehpur not to cancel the lease if the due quarterly installment is not paid .

35. Per contra, learned counsel for the respondents would contend that so far as the first contention of learned counsel for the petitioner with regard to Section 15(3) of the Act, 1957 is concerned, the said controversy is covered by the judgement of this Court in the case of ***M/S Sharad Enterprises Vs. State Of U.P. And 4 Others*** passed in Writ-C No.14386 of 2019.

36. He submits that on the request of petitioner, the survey of the area was done and survey report was prepared. He submits that it is evident from the survey report dated 13.05.2019 that there was no overlapping of the boundaries of village Kurra Kanak and village Jauharpur. Accordingly, it is contended that the contention of learned counsel for the petitioner that the petitioner was not given the entire area is incorrect.

37. He further submits that the river changes its course during the rainy season and not during winter season, therefore, the case set up by the petitioner that due to the change of course of river, certain area of the petitioner fell in District Banda is fallacious and has been set up only to avoid the liability to pay the royalty.

38. He further submits that the order of the Commissioner, Banda dated 14.05.2019 discloses that the Commissioner, Banda had directed the District Magistrate, Banda to stop illegal mining activity in village Jauharpur, and since the area allotted to the petitioner fell in village Kurra Kanak, District Fatehpur, therefore, he was not affected by the order dated 14.05.2019 passed by the Commissioner, Banda.

39. He further submits that it is evident from the letter of the petitioner dated 20.05.2019, appearing on page 86 of the paper book that the petitioner has not disputed the demarcation report dated 13.05.2019 appearing on page-76 of the paper book which categorically states that there is no overlapping of boundary of village Kurra Kanak and village Jauharpur, and some private persons are interfering in carrying out mining activity. It is pointed out by learned Additional Advocate General that the representation of the petitioner dated 20.05.2019 does not state that some area of land allotted to the petitioner falls in District Banda, therefore, the narration set up by the petitioner that he could not do any mining activity for the reason that some area of petitioner fell in District Banda is incorrect and false.

40. Lastly, he submits that the petitioner is liable to pay the installments due till the lease of the petitioner is terminated in accordance with law. Therefore, neither the recovery notices issued to the petitioner are illegal nor the order determining the lease deed of the petitioner is illegal. Accordingly, he submits that the contentions advanced by the learned counsel for the petitioner are misconceived, and the writ petition deserves to be dismissed.

41. We have considered the rival submission advanced by the learned counsel for the parties and perused the record.

42. The similar contention as raised by the learned counsel for the petitioner based on Section 15(3) of the Act, 1957 in the present case that petitioner is liable to pay royalty only to the actual quantity of mineral excavated by him has been repelled by this Court in the case of ***M/s Sharad Enterprises Vs. State of U.P. and Others*** passed in Writ-C No.14386 of 2019. Paragraph nos.92 and 93 of the said judgement are reproduced herein below:-

"92. If the interpretation of Section 15(3) put forth by the learned counsel for the petitioner that the petitioner is liable to pay royalty for the quantity of mineral consumed by the petitioner is accepted, that would lead to absurdity since it could never be the intention of the legislature, further such interpretation would render the other provision of Rules, 1963 and the terms and condition of the lease deed which is in Form MM6 as per Rule 29 of Rules, 1963 redundant.

93. The Division Bench of this Court in paragraph no.38 of the judgement in the case ***Raj Pratap Yadav Vs. State of U.P. and Others*** *passed in* ***Writ-C No.28087 of 2023*** *has held that Section 15(3) of the MMDR Act cannot be interpreted in a manner so as to confer benefit upon the lessees for not paying installments where mineral has not been removed or consumed by him. Paragraph no.38 of the said judgement is reproduced herein below:*

"38. In the backdrop of the aforesaid discussion, in a case of auction lease that is covered by Chapter IV of the Rules, 2021, to say that while considering an application of surrender of mining lease, 'royalty' would be payable only to the extent of the mineral removed or consumed, would not be appropriate. Doubtless, where there occurs violation of the terms and conditions of the mining lease which is not promptly attended to by the lessee, the authorities are required to take steps without delay for termination of the lease in the interest of all concerned. <u>But where the mining lease deed executed in Form MM-6 or in similar format under the Rules made under the provisions of Section 15 (1) and (1-A) of the Act, 1957 provides for the quantity of minor mineral to be excavated annually in cubic meters, and the highest bid offered by the lessee, and the</u>

total amount of instalments payable in the first year and subsequent years, which also form the consideration for the contract, then the instalments would be payable under the terms of the lease. Therefore, the provisions of Section 15 (3) of the Act, 1957 cannot be read or interpreted in a manner to confer a benefit on the lessee for not paying the installments where no mineral has been removed or consumed by him. Thus, to this extent, the judgment of this court in Vipul Tyagi when read in the light of the judgment of the Supreme Court in D.K. Trivedi, the provisions of the Act 1957, and of the Rules of the State Government framed under the powers delegated by the Act 1957, would not operate as a binding precedent."

43. So far as the argument of learned counsel for the petitioner that material on record establishes that because of change in the course of river, it was impossible to carry out any mining operation is concerned, we find that the said contention also lacks merit. The reason for our aforesaid view is delineated below.

44. According to petitioner's case, after commencement of mining operation, the District President of Bhartiya Janata Party (BJP) filed a complaint of illegal mining against the petitioner. The District Magistrate acting upon the said complaint sent a team of SDM, Fatehpur alongwith the team of revenue officers to inspect the mining area of the petitioner. Thereafter, they submitted a report to the Principal Secretary, Geology and Mining, U.P. stating therein that no illegal mining activity was found in the petitioner's area.

45. The record further reflects that the petitioner was allowed to carry on mining operation and no hindrance was created by the respondents.

46. It transpires from the record that for the reason best known to the petitioner, he submitted an application dated 08.02.2019 before the District Magistrate, Fatehpur stating that most part of the land allotted to the petitioner has submerged in water, and on excavation upto one meter on the available area for mining, water comes out due to which mining

operation is difficult. Accordingly, he prayed that quantity of mineral be reduced accordingly.

47. On the application of petitioner, a survey by the Regional Office, Prayagraj was conducted on 06.03.2019. As per Geo-Coordinates, Point-C and Point-D is abutting the boundary of District Banda. The inspection report of Regional Office, Prayagraj is reproduced herein below:-

"सर्वेक्षण आख्या

आज दिनाँक–06.03.2019 को मे० जय शक्ति रियलकॉन प्रा०लि० के पक्ष में स्वीकृत खनन पट्टा क्षेत्र ग्राम–कोरकिनक तहसील–सदर जनपद–फतेहपुर के बालू/मोरम खण्ड सं०–के/4 के गाटा सं0–391 मि० रकबा–40.48 हे० क्षेत्र का सीमाकंन कार्य प्रतिनिधि श्री आशुतोष प्रताप सिंह पुत्र श्री शिवप्रताप सिंह की उपस्थिति में किया गया जो पट्टाविलेख के समय नदी का जलस्तर अधिक होने के कारण दिनांक–26.11.2018 को सीमाकंन के समय बिन्दु C एवं बिन्दु D का भू–निर्देशांक (Geo–Coordinates) नही दिखाया जा सका था । विन्दु C एवं बिन्दु D का भू–निर्देशांक (Geo–Coordinates) वर्तमान में नदी की जलधारा के दूसरी तरफ जनपद बाँदा की सीमा से लगा हुआ है, जो यमुना नदी की जलधारा के उस पार जनपद बाँदा की ओर है। जिसका भू–निर्देशांक (Geo–Coordinates) इस प्रकार हैं–

क्र० सं०	*अक्षांश*	*देशांतर*
A	*$25^0$43.766′N*	*$80^0$34.551′E*
B	*$25^0$43.915′N*	*$80^0$34.435′E*
C	*$25^0$43.449′N*	*$80^0$34.043′E*
D	*$25^0$43.289′N*	*$80^0$34.204′E*

48. Again a joint inspection was conducted on 02.04.2019 by the team consisting of several authorities, who submitted a report on 02.04.2019. The Joint Inspection report dated 02.04.2019 is reproduced herein below:-

"संयुक्त जाँच आख्या

सेवा में

जिलाधिकारी
फतेहपुर।

महोदय,

कृपया अवगत कराना है कि मेसर्स जयशक्ति रियलकॉन प्रा० लि० प्रो० श्री शिवप्रताप सिंह चन्देल के पक्ष में जनपद व तहसील फतेहपुर थान– ललौली स्थित ग्राम–कुर्राकनक के गाटा सं० 391 मि० (खण्ड स०–के/4) रकवा 40.48 हे० में स्वीकृत बालू/मोरम का खनन पट्टा क्षेत्र की संयुक्त जांच आज दिनांक 02.04.2019 को की गयी। जाँच के समय उक्त खनन पट्टा का कुछ भाग यमुना नदी की जलधारा की उस तरफ तहसील व जनपद–बांदा ग्राम–जौहरपुर की सीमा से लगा हुआ है। संयुक्त सर्वेक्षण के समय मौके पर खान अधिकारी फतेहपुर मय सर्वेक्षक/मानचित्रकार के साथ राजस्व टीम क्षेत्रीय लेखपाल, राजस्व निरीक्षक, नायब तहसीलदार फतेहपुर एवं थाना प्रभारी ललौली व पट्टाधारक/प्रतिनिधि की उपस्तिथि में तहसील व जनपद बांदा की राजस्व टीम की अनुपस्तिथि में जनपद फतेहपुर की सीमा का निर्धारण कर गाटा सं०– 391 मि० (खण्ड स०–के/4) रकवा 40.48 हे० का सीमा बंधन कर पट्टाधारक द्वारा मौके का स्थाई स्तम्भ लगवा दिया गया है।

आंख्या आवश्यक कार्यवाही हेतु सेवा में सादर प्रेषित है।"

49. Again on the request of petitioner, a survey was conducted as per the direction of Director of Geology and Mining, Lucknow dated 25.04.2019 by a team consisting of Surveyor, District Jhansi, Surveyor Headquarter, Assistant Geo-Science Headquarter, Mining Officer Head Quarter and Senior Mining Officer, District Mahoba. The process of demarcation continued from 08.05.2019 to 10.05.2019. The Joint Inspection team submitted a report on 13.05.2019. As per the report dated 13.05.2019, there was no overlapping between the boundaries of Village Kurra Kanak in which the petitioner's area falls and Village Jauharpur falling in the jurisdiction of District Banda. The Joint Inspection report dated 13.05.2019 is reproduced herein below:-

"संयुक्त सीमांकन आख्या

भूतत्व एवं खनिकर्म निदेशालय के कार्यालय आदेश सं० 120/ एम–21 सीमाबन्धन/2018, दिनाँक 25.04.2019 के अनुपालन में जनपद फतेहपुर के ग्राम कुर्रा कनक में स्वीकृत खनन पट्टा क्षेत्रों एवं जनपद बाँदा के ग्राम जौहरपुर के बालू/मौरम खनन क्षेत्रो के सीमा विवाद के निवारण के सम्बन्ध में निदेशालय की गठित टीम द्वारा दिनाँक 08.05.2019 से 10.05.2019 के मध्य संयुक्त सीमांकन किया गया। उक्त सीमांकन के समय श्री नरेन्द्र कुमार, राजस्व लेखपाल, ग्राम कुर्रा कनक, फतेहपुर/श्री कमलेश बाबू, लेखपाल, ग्राम जौहरपुर, जनपद बाँदा तथा जनपद बाँदा में तैनात खान अधिकारी श्री शैलेन्द्र कुमार सिंह एवं जनपद फतेहपुर में तैनात खान अधिकारी श्री

सौरभ गुप्ता मौके पर उपस्थित थे। प्रश्नगत प्रकरण जनपद फतेहपुर के ग्राम कुर्राकनक के खण्ड सं. 3 एवं 4 में स्वीकृत खनन पट्टों के जनपद बाँदा की सीमा विवाद से सम्बन्धित है। आदेशानुसार जनपद फतेहपुर के स्वीकृत खनन पट्टा क्षेत्रों का संयुक्त सीमांकन जनपद फतेहपुर एवं जनपद बाँदा के राजस्व विभाग द्वारा उपलब्ध कराये गये खसरा मानचित्रों के आधार पर किया गया, जिसकी आख्या निम्नवत् है :–

1. जनपद फतेहपुर के ग्राम कुर्रा कनक गाटा सं0 391 मि०, खण्ड सं0–4 रकबा 40.48 हे० क्षेत्र मे० जयशक्ति रियल कॉन प्रा०लि० प्रो० /पार्टनर/निदेशक, श्री शिव प्रताप सिंह चन्देल पुत्र श्री कल्लू सिंह नि0. 20 ए, गौतमनगर, सहर कोतवाली फतेहपुर एवं ग्राम कुर्राकनक के गाटा सं0. 383 मि0, 391 खण्ड सं0 3, रकबा 40.48 हे0 क्षेत्र मे0 डिग्जियाना माइनिंग कारपोरेशन प्रा० लि० निदेशक, श्री सुखदेव सिंह धुम्मन सिंह पुत्र श्री सुच्चा सिंह नि0 233–विशनूपुरी एनेक्स, इन्दौर, म०प्र० के पक्ष में 5 वर्ष की अवधि हेतु स्वीकृत/निष्पादित है। प्रश्नगत दोनो खनन पट्टा क्षेत्रों का सीमांकन क्षेत्रीय लेखपाल द्वारा बताये गये संदर्भ बिन्दु जो ग्राम कुर्राकनक एहतमाली के गाटा सं० 376 के उत्तरी पूर्वी एवं दक्षिणी पूर्वी के मेड़ों के मिलन बिन्दु है, को संदर्भ बिन्दु मानकर जनपद फतेहपुर के तरफ से सीमांकन कार्य किया गया। संयुक्त सीमांकन में यह पाया गया कि यमुना नदी की जलधारा को पार कर जनपद बाँदा के ग्राम जौहरपुर की सीमा तक खनन पट्टा क्षेत्र है। <u>पट्टाधारक को पट्टा क्षेत्र के सभी सीमांस्तम्भ चिन्हित कर मौके पर बता दिये गये।</u> उक्त सीमांकन की पुष्टि जनपद बाँदा के खसरा मानचित्र से भी मिलान कर ली गयी है। मौके पर उपस्थित खान अधिकारी, फतेहपुर, खान अधिकारी, बाँदा, क्षेत्रीय लेखपाल, ग्राम कुर्राकनक एवं जौहरपुर, बाँदा द्वारा भी सीमांकन में सहयोग किया गया। सभी पक्ष सीमांकन से संतुष्ट है। जनपद फतेहपुर के ग्राम कुर्रा कनक के खसरा मानचित्र से किये गये सीमांकन कार्य एवं जनपद बाँदा के खसरा मानचित्र पर किये गये सीमांकन कार्य संलग्न मानचित्र पर अंकित कर दिया गया है। <u>संयुक्त सीमांकन से यह स्पष्ट होता है कि ग्राम कुर्रा कनक के खण्ड सं० –4 में पूर्व के सीमांकन में बताये गये सीमाबिन्दु मौके पर सही पाये गये। ग्राम कुर्रा कनक की सीमा एवं ग्राम जौहरपुर की सीमा में कोई ओवरलैपिंग नही है।</u>

आख्या सादर सेवा में अवलोकनार्थ प्रेषित की जा रही है।"

50. The report also states that the leaseholders have been told about the boundary pillar of the leased area after marking the same.

51. Despite the fact that several surveys had been conducted on the request of the petitioner, and the survey report indicates that there was no overlapping of the boundaries of Village Kurra Kanak and Village

Jauharpur, and there is no reduction of mining area allotted to the petitioner, the petitioner again wrote a letter to the District Magistrate, Fatehpur stating that some part of the area allotted to the petitioner in Village Kurra Kanak fell on the other side of the river and some persons of Jauharpur Khand nos.3 & 4 who did not have any lease were interfering with the mining operation of the petitioner as they were not accepting three survey reports and had stopped the mining operation of the petitioner. Accordingly, petitioner prayed that some assistance may be provided so that petitioner could carry out mining operation uninterruptedly.

52. The three surveys had been conducted on the request of the petitioner. All three reports extracted above clearly falsify the claim of the petitioner that he did not have the entire area of mining operation. The submission of successive applications by the petitioner for the survey of allotted area reflects the malafide intention of the petitioner to set up a story to wriggle out of his liability to pay royalty under the lease deed for the minerals auctioned to him.

53. For reasons stated above, we are of the view that the entire story set up by the petitioner by filing several applications to demonstrate his difficulty in carrying out mining operation was only a *Peshbandi* to wriggle out of his liability to pay royalty.

54. We do not find from the record that the respondents at any time obstructed or created hindrance in carrying out the mining operations by the petitioner, therefore, we reject the contention of learned counsel for the petitioner that mining operations could not be conducted by the petitioner for the reasons beyond his control, therefore, petitioner is not liable to pay royalty for the minerals, which have not been excavated by him.

55. Now, coming to the last submission of learned counsel for the petitioner that if the petitioner had not been able to pay royalty for whatever reason, then the respondents were under obligation to invoke

powers under Rule 58 of Rules, 1963 expeditiously and determine the lease deed of the petitioner.

56. To appreciate the said argument, it would be useful to have a glance at Rule 58 of the Rules, 1963 which is being reproduced herein below:-

> "*58.* ***Consequences of non-payment of royalty, rent or other dues****.- (1) The State Government or any officer authorised by it in this behalf may determine the mining lease after serving a notice on the lessee to pay within thirty days of the receipt of the notice any amount due or dead rent under the lease including the royalty due to the State Government if it was not paid within fifteen days next after the date of fixed for such payment. This right shall be in addition to and without prejudice to the right of the State Government to realise such dues from the lessee as arrears of land revenue.*
>
> *(2) Without prejudice to the provisions of these rules, simple interest at the rate of 18 percent per annum may be charged on any rent, royalty, demarcation fee and any other dues under these rules, due to the State Government after the expiry of the period of the notice under sub-rule (1)."*

57. Part-3 of General Conditions of the lease deed also stipulates that if there is any violation of Rules, 1963 or breach of terms and conditions of the lease deed, the State Government can determine the lease. Part-3 of the General Condition of the lease deed is reproduced herein below:-

> *"भाग-3*
>
> *सामान्य उपबन्ध*
>
> *1. नियमों, प्रसंविदाओं और शर्तों को भंग करने पर पट्टा समाप्त किया जा सकता है:: यदि पट्टेदार उत्तर प्रदेश उप खनिज (परिहार) नियमावली 1963 के किसी नियम या इस पट्टे की किसी प्रसंविदा तथा किसी शर्त को भंग करें तो राज्य सरकार पट्टा समाप्त कर सकती है और प्रतिभूति जमा को पूर्णतः या अंशतः जब्त कर सकती है किन्तु प्रतिबन्ध यह है कि पट्टा समाप्त किये*

जाने के पूर्व पट्टेदार को उन्हें भंग करने का स्पष्टीकरण देने के लिए यथोचित अवसर दिया जायेगा।"

58. Form MM-6 is Model Form of Auction Lease for Mining. As per Rule 29, the lease deed is to be executed in Form MM-6 which is titled as 'Model Form of Auction for Mining', therefore, the lease deed is a statutory lease deed.

59. Rule 58 of Rules, 1963 and the lease deed executed in Form MM-6 confers power upon the State Government to determine the lease deed if, the conditions enumerated in Rule 58 or under relevant clause of lease deed providing determination of lease deed exist. However, neither Rules, 1963 nor lease deed permit the lessee to exit from the lease deed if for any reason, the lessee is unable to carry out mining operation. To this extent, Rules 1963 as well as lease deed are lopsided inasmuch as on the one hand Rules, 1963 as well as lease deed permit the State Government to determine the lease deed, but on the other hand, the lessee has no recourse to exit from the lease deed.

60. In such circumstances, the lessee has no bargaining power to exit from the lease even if he is not able to do mining and his liability to pay royalty soars. The lessee has no option but to succumb to the terms and conditions of the lease deed and has to wait till the authority invokes power under Rule 58 of Rules, 1963 to determine the lease deed.

61. One of the party to the lease deed is the State. It is trite law that the action of the State must be in conformity with the object enshrined in Article 14 of the Constitution of India which means that the action of the State must be free from malice, arbitrariness and discrimination.

62. In the present case, State under Rule 58 of Rules, 1963 as well as under the lease deed has power to terminate the lease deed if the conditions enumerated in Rule 58 or conditions set out in the relevant clause under the lease deed on which lease can be terminated are present. If the State does not act in the spirit of Rule 58 or clause of the lease deed providing termination of lease deed, and because of inaction of the

State, the liability of the lessee soars manifold, whether in such circumstances the inaction of the State in invoking Rule 58(1) to determine the lease falls within the ambit of arbitrary action of State is a question which arise for determination in the instant case.

63. To appreciate as to when an action is said to be an arbitrary action, it would be useful to have a glance at a few judgements of the Apex Court defining when the action of the State is termed as arbitrary action. The Apex Court in the case of ***Kumari Shrilekha Vidyarthi and Others Vs. State of U.P. and Others, (1991) 1 SCC 212*** has eloquently explained as to what constitute arbitrariness. Paragraph nos.35 & 36 of the said judgement are reproduced herein-below:-

> *"35. It is now too well settled that every State action, in order to survive, must not be susceptible to the vice of arbitrariness which is the crux of Article 14 of the Constitution and basic to the rule of law, the system which governs us. Arbitrariness is the very negation of the rule of law. Satisfaction of this basic test in every State action is sine qua non to its validity and in this respect, the State cannot claim comparison with a private individual even in the field of contract. This distinction between the State and a private individual in the field of contract has to be borne in the mind.*
>
> *36. The meaning and true import of arbitrariness is more easily visualized than precisely stated or defined. The question, whether an impugned act is arbitrary or not, is ultimately to be answered on the facts and in the circumstances of a given case. An obvious test to apply is to see whether there is any discernible principle emerging from the impugned act and if so, does it satisfy the test of reasonableness. Where a mode is prescribed for doing an act and there is no impediment in following that procedure, performance of the act otherwise and in a manner which does not disclose any discernible principle which is reasonable, may itself attract the vice of arbitrariness. Every State action must be informed by reason and it follows that an act uninformed by reason, is arbitrary. Rule of law contemplates governance by laws and not by humour, whims or caprices of the men to whom the governance is entrusted for the*

time being. It is trite that 'be you ever so high, the laws are above you'. This is what men in power must remember, always."

64. The Apex Court in paragraph 21 of the judgement in the case of ***Verigamto Naveen Vs. Govt. of A.P. and Others, (2001) 8 SCC 344*** has held as under:

"21. On the question that the relief as sought for and granted by the High Court arises purely in the contractual field and, therefore, the High Court ought not to have exercised its power under Article 226 of the Constitution placed very heavy reliance on the decision of the Andhra Pradesh High Court in Y.S.Raja Reddy v. A.P. Mining Corpn. Ltd., 1988(2) ALT 722, and the decisions of this Court in Harshankar v. Dy. Excise & Taxation Commissioner (1975) 1 SCC 3737, Radhakrishna Agarwal v. State of Bihar, (1977) 3 SCC 457, Ram Lal & Sons v. State of Rajasthan (1976) 1 SCC 112, Shiv Shankar Dal Mills v. State of Haryana (1980) 2 SCC 437, Ramana Dayaram Shetty v. International Airport of India (1979) 3 SCC 489 and Basheshar Nath v. CIT AIR 1959 SC 149. Though there is one set of cases rendered by this Court of the type arising in Radhakrishna Agarwals case, much water has flown in the stream of judicial review in contractual field. In cases where the decision-making authority exceeded its statutory power or committed breach of rules or principles of natural justice in exercise of such power or its decision is perverse or passed an irrational order, this Court has interceded even after the contract was entered into between the parties and the Government and its agencies. We may advert to three decisions of this Court in Dwarkadas Marfatia & Sons v. Board of Trustees of the Port of Bombay, (1989) 3 SCC 293,Mahabir Auto Stores v. Indian Oil Corpon. (1990) 3 SCC 752 and Shrilekha Vidyarthi (Kumari) v. State of U.P. (1991)1 SC 212. Where the breach of contract involves breach of statutory obligation when the order complained of was made in exercise of statutory power by a statutory authority, though cause of action arises out of or pertains to contract, brings it within the sphere of public law because the power exercised is apart from contract. The freedom of the Government to enter into business with anybody it likes is subject to

the condition of reasonableness and fair play as well as public interest. After entering into a contract, in cancelling the contract which is subject to terms of the statutory provisions, as in the present case, it cannot be said that the matter falls purely in a contractual field. Therefore, we do not think it would be appropriate to suggest that the case on hand is a matter arising purely out of a contract and, therefore, interference under Article 226 of the Constitution is not called for. This contention also stands rejected."

65. The Apex Court in the case of ***M.P. Power Management Company Limited, Jabalpur Vs. SKY Power Southeast Solar India Private Limited and Others (2023) 2 SCC 703*** after referring to the judgement of East Coast Railway Vs. Mahadev Appa Rao (2010) 7 SCC 678 in paragraph no.74 of the judgement has held in paragraph no.75 that if an action lacks good faith and is actuated with an oblique motive, it could be characterized as being arbitrary. Paragraph nos.74 & 75 of the said judgement are being reproduced herein below:-

"74. We may notice that as to what constitutes arbitrariness fell for consideration by this Court in a case which involved cancellation of the examination held as part of a recruitment process, in East Coast Railway v. Mahadev Appa Roa (2010) 7 SCC 678. We notice the following passages which are apposite for this case: (SCC pp.685-87, paras 19-20 & 23)

"19. Black's Law Dictionary describes the term "arbitrary" in the following words:

'arbitrary. adj.-1. Depending on individual discretion; specif., determined by a Judge rather than by fixed rules, procedures, or law.

2. (Of a judicial decision) founded on prejudice or preference rather than on reason or fact. This type of decision is often termed arbitrary and capricious.'

20. To the same effect is the meaning given to the expression "arbitrary" by Corpus Juris Secundum which explains the term in the following words:

"Arbitrary.—Based alone upon one's will, and not upon any course of reasoning and exercise of judgment; bound by no law; capricious; exercised according to one's own will or caprice and therefore conveying a notion of a tendency to abuse possession of power; fixed or done capriciously or at pleasure, without adequate determining principle, non-rational, or not done or acting according to reason or judgment; not based upon actuality but beyond a reasonable extent; not founded in the nature of things; not governed by any fixed rules or standard; also, in a somewhat different sense, absolute in power, despotic, or tyrannical; harsh and unforbearing. When applied to acts, "arbitrary" has been held to connote a disregard of evidence or of the proper weight thereof; to express an idea opposed to administrative, executive, judicial, or legislative discretion; and to imply at least an element of bad faith, and has been compared with "willful."

23. Arbitrariness in the making of an order by an authority can manifest itself in different forms. Non-application of mind by the authority making the order is only one of them. Every order passed by a public authority must disclose due and proper application of mind by the person making the order. This may be evident from the order itself or the record contemporaneously maintained. Application of mind is best demonstrated by disclosure of mind by the authority making the order. And <u>disclosure is best done by recording the reasons that led the authority to pass the order in question. Absence of reasons either in the order passed by the authority or in the record contemporaneously maintained is clearly suggestive of the order being arbitrary hence legally unsustainable</u>."

75. We would, therefore, sum up as to when an act is to be treated as arbitrary. The Court must carefully attend to the facts and the circumstances of the case. It should find out whether the impugned decision is based on any principle. If not, it may unerringly point to arbitrariness. If the act betrays caprice or the mere exhibition of the whim of the authority it would sufficiently bear the insignia of

arbitrariness. In this regard supporting an order with a rationale which in the circumstances is found to be reasonable will go a long way to repel a challenge to State action. No doubt the reasons need not in every case be part of the order as such. If there is absence of good faith and the action is actuated with an oblique motive, it could be characterised as being arbitrary. A total non-application of mind without due regard to the rights of the parties and public interest may be a clear indicator of arbitrary action. A wholly unreasonable decision which is little different from a perverse decision under the Wednesbury doctrine would qualify as an arbitrary decision under Article 14. Ordinarily visiting a party with the consequences of its breach under a contract may not be an arbitrary decision."

66. From the aforesaid judgements defining what constitutes arbitrary action, it can be culled out that an arbitrary exercise of power is the use of authority based on personal whims, caprice or irrationality rather than established laws, fairness or reason. In other words, the arbitrary power refers to unjustified power by the authority without limits leading to oppressive action against the individuals or groups.

67. Another facet of arbitrariness is that if a statute confers power upon an authority with a purpose to achieve the object of the Act and prescribes the manner and time frame within which such power is to be exercised and there is no legal impediment in following the manner and time frame prescribed in the statute for performance such act, then delay in performance of such act without disclosing any bonafide and plausible reason causing injury to an individual or groups may itself attract the vice of arbitrariness.

68. Rule 58 of Rules, 1963 authorises the State Government or any Officer authorised by it in this behalf to determine the mining lease after serving a notice on the lessee to pay within thirty days of receipt of notice any amount due under the lease including the royalty due to the State Government, if it was not paid within fifteen days next after the date fixed for such payment.

69. In our view, the power of determination of lease deed under Rule 58 of Rules, 1963 is to be exercised immediately without any delay after the expiry of fifteen days period after the date fixed for such payment in the notice for the benefit of both the State as well as lessee. As after determination of lease deed, the State may re-auction as per procedure contemplated under the Act, 1957 and Rules, 1963 the land allotted to the petitioner so that it may not suffer any loss of revenue and at the same time the liability of the lessee to pay royalty under the lease deed may not soar manifold.

70. We may at the cost of repetition state that the lessee neither under Rules, 1963 nor under the lease deed is allowed to determine the lease deed, therefore, it is expected of the authority to act expeditiously in the spirit of Rule 58 of Rules, 1963 for determining the lease if the conditions enumerated under Rule 58 (1) of Rules, 1963 are present for determining the lease deed. The inaction or delay on the part of the authority in not invoking power under Rule 58 of Rules, 1963 despite existence of conditions contemplated under such rule to invoke power of determination of lease deed results in causing serious prejudice to the lessee as on the one hand, he cannot exit from the lease deed, and on the other hand, his liability continues to soar for no fault of his. Therefore, delay in invoking power under Rule 58 of Rules, 1963 to determine lease without informing or disclosing reason for delay in exercise of such power entails element of arbitrariness on the part of authority.

71. Therefore, if there is delay in exercise of such power, the authority must inform or disclose the reason for delay in invoking such power so that it can be ascertained whether the delay in exercising such power is bonafide or it is malicious. If it is found that the action of the authority in not invoking power within the period prescribed in Rule 58 of Rules, 1963 is malicious, the delay in invoking such power to determine the lease is nothing but an abuse of power and falls within the ambit of arbitrary action as the delay in exercise of such power causes significant injury to the lessee. Therefore, the action of the State in

determining the lease deed must conform to spirit of Rule 58 of Rules, 1963 and should not reflect malice.

72. Now, we turn to find out whether in the instant case, delayed action of the State in determining the lease of petitioner amounts to an arbitrary exercise of power by the authority.

73. The petitioner's specific case in paragraph no.26 is that if the authorities were satisfied that there was no reason for the petitioner for not paying due installments, the District Magistrate should have immediately determined the lease. Similar averment has been made by the petitioner in paragraph no.41 of the writ petition. Paragrpah nos.26 & 41 of the writ petition are being reproduced herein below:-

> *"26. That instead of taking any action under rule 58(1) of the 1963 Rules, the respondents, if they were satisfied that there was no reason for not paying the due installments, the District Magistrate should have determined the mining lease, but surprisingly the District Magistrate, issued another show-cause notice dated 21.05.2019 to show-cause as to why the due installments mentioned in the notices dated 12.04.2019 and 24.04.2019 have not been paid and in the said notice frivolous allegations of illegal mining, without any notice or opportunity was also made. The said notice dated 21.05.2019 is also under challenge in the aforesaid Writ-C No.18896 of 2019.*
>
> *41. That rule 58(1) of the 1963 Rules, does not give discretion to the District Magistrate, Fatehpur, not to cancel a lease if the due quarterly installment is not paid. The lease should be cancelled after 30 days notice, but in the present case the respondents kept the matter pending, without taking any decision either on the applications of the petitioner, survey reports or on the notices issued to the petitioner, with the sole purpose of illegally fastening the liability of payment of installments of lease amount, even though they had stopped all mining operations."*

74. The respondent has replied the para no.26 & para 41 of the writ petition in paragrpah nos.26 & 38 of the counter affidavit, which are being reproduced herein below:-

> *"26. That the contents of Paragraph No.26 of the writ petition are not admitted as stated hence denied. In reply it is submitted here that the power to determine the lease is in addition to the power of recovery of the due amount as per the arrears of land revenue and further the petitioner was continuously doing mining work and the area of the petitioner was demarcated on 06.03.2019 and 02.04.2019, 08.05.2019 to 10.05.2019 by the team of Directorate and the petitioner was satisfied with the aforesaid demarcation reports and even after doing the mining work, the petitioner was not depositing the due installments and as such notice dated 21.05.2019 was given to him in accordance with law.*
>
> *38. That the contents of Paragraph No.41, 42 and 43 of the writ petition are not admitted as stated hence denied. In reply it is submitted here that the petitioner was continuously doing mining work and was not depositing the installments and as such notices were issued to him for depositing the aforesaid amount and the petitioner had deposited a part of due installment to the tune of Rs.50,00,000/- on 17.10.2019 and as such after giving final notice dated 10.12.2019, the lease of the petitioner was determined and recovery citation was directed to be issued and the petitioner was blacklisted for 2 years. At the cost of repetition, it is submitted here that the power to determine the lease is in addition to the power of recovery of the due amount as arrears of land revenue."*

75. In the paragraph, extracted above, the respondent has not disclosed the reason for the delay in invoking powers under Rule 58 of Rules, 1963 and under the lease deed after the petitioner failed to comply with the two notices dated 24.04.2019 and 21.05.2019.

76. The respondent in para no.38 has stated that the petitioner was continuously doing mining work and was not depositing the installments, but such an averment is only a general averment and does not specify the period, the petitioner had done mining.

77. The petitioner in paragraph no.32 has given details of mining from December, 2018 to April, 2019.

78. In response to that, respondent in paragraph no.30 of the counter affidavit has stated that petitioner has mined/transported 39239 cubic meter of sand/moram from December, 2018 to May, 2019.

79. The respondent has not disclosed any detail about mining alleged to have been carried out by the petitioner after May, 2019. As per record, the petitioner had carried out mining till May, 2019. Under the notice dated 21.05.2019, the respondent has demanded the installment due from the petitioner on 01.01.2019 and on 01.04.2019.

80. As the petitioner had failed to deposit the two installments dated 01.01.2019 and 01.04.2019 and as per the respondents, petitoner had conducted mining till May, 2019, we are of the view that respondents should have immediately invoked the power under Rule 58 of Rules, 1963 to determine the lease.

81. The respondents do not disclose in the counter affidavit the reason for not invoking powers under Rule 58 of the Rules, 1963 immediately after expiry of period given in the notice calling upon the petitioner to deposit installments dated 01.01.2019 and 01.04.2019.

82. Since, it is only the respondent-State who is authorised to determine the lease deed under Rule 58 of Rules, 1963 and in the lease deed, there is no exit-way given to the petitioner from the lease deed, therefore, it is expected of the authority to exercise the power of determination of lease diligently, and petitioner cannot asked to discharge his obligations under the lease deed because of the slackness on the part of respondents in determining the lease.

83. The respondents are under an obligation to explain the reason for the delay in invoking power of determination of lease so as to find out whether the delay in determining the lease is bonafide and genuine. Non-disclosure of reason for delay in not determining the lease of the petitioner would definitely be an arbitrary exercise of power and is against the spirit of Rules, 1963. Therefore, the petitioner cannot be

forced to pay installments demanded by the respondent, which he otherwise would not have been liable to pay if, the respondent-authority had acted promptly and invoked the power under Rule 58 of Rules, 1963 to determine the lease immediately after the petitioner failed to comply with the demand made by the respondents under the notice dated 21.05.2019.

84. Thus, for the reasons given above, we are of the view that since petitioner has not done any mining after May, 2019 and if, the power to determine the lease had been invoked by the authority promptly, the lease deed would have been determined before 01.07.2019, and petitioner would not have been liable to pay any royalty after 01.07.2019, therefore, we hold that recovery of installments due from the petitioner on 01.07.2019 and on 01.10.2019 is not justified. Accordingly, we set aside the impugned order to the extent it demands recovery of installments due on 01.07.2019 and on 01.10.2019.

85. The petitioner has deposited Rs.50 lacs on 15.10.2019 and Rs.20 lacs on 26.11.2019, total amounting to Rs.70 lacs for adjustment towards arrears of earlier installments for which recovery had already been issued. However, respondents have adjusted the said amount in the installments of October, 2019.

86. Since, we have already held above that recovery of installments due on 01.07.2019 and on 01.10.2019 is illegal, therefore, we are of the view that aforesaid amount is liable to be adjusted towards the installments payable on 01.01.2019 and on 01.04.2019.

87. By the impugned order, the lease deed has been determined by the District Magistrate, Fatehpur. We are of the view that petitioner has failed to make out any case for quashing the order determining the lease deed inasmuch as the case of the petitioner challenging the recovery of installments due on 01.07.2019 and on 01.10.2019 is based upon the argument that if, the petitioner had failed to discharge his obligation to deposit the installments, the authorities should have immediately exercised the power terminating the lease deed under Rule 58 of Rules,

1963, therefore, we do not find any good ground to set aside the finding of the authority determining the lease deed.

88. By the impugned order, petitioner's firm has also been blacklisted for two years, and period of blacklisting has passed, therefore, punishment of blacklisting of petitioner's firm has lost it's significance, and in future, if petitioner is eligible to participate in auction proceedings as per law, the blacklisting of two years by the impugned order should not come in the way of petitioner in participating in future auction.

89. Thus, for the reasons given above, the Writ-C No.3056 of 2020 is partly ***allowed*** and Writ-C No.18896 of 2019 is ***dismissed*** with no order as to costs.

(Sudhanshu Chauhan,J.) (Saral Srivastava,J.)

May 8, 2026
Sattyarth/NS