

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 17TH DAY OF APRIL, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT PETITION NO. 13296 OF 2022 (GM-MM-S)

BETWEEN:

SRI V. VENKATESHULU
S/O. V. MAREPPA
AGED ABOUT 71 YEARS
RESIDING AT PLOT No.04
SRI VAIBHAVA NILAYA
VERANNA GOUDA COLONY
BELLARY - 583 103

...PETITIONER

(BY SRI BHAT GANAPATHY NARAYAN, ADVOCATE)

AND:

1. THE SECRETARY
MINISTRY OF MINES
GOVERNMENT OF INDIA
ROOM No.320
A WING, SHASTRI BHAVAN
NEW DELHI - 110 001
2. THE JOINT SECRETARY
MINISTRY OF MINES
GOVERNMENT OF INDIA
ROOM No.101
D-WING, SHASTRI BHAVAN
NEW DELHI - 110 001
3. THE PRINCIPAL SECRETARY
TO GOVERNMENT
COMMERCE AND INDUSTRIES
DEPARTMENT (MSME AND MINES)
VIKASA SOUDHA



AMBEDKAR ROAD
BENGALURU - 560001

4. THE SECRETARY II (MINES)
COMMERCE AND INDUSTRIES DEPARTMENT
VIKASA SOUDHA, 1ST FLOOR
DR. B.R. AMBEDKAR VEEDHI
BENGALURU - 560 001
5. THE DIRECTOR (MINES)
DEPARTMENT OF MINES AND GEOLOGY
5TH FLOOR, KHANIJA BHAVAN
RACE COURSE ROAD
BENGALURU - 560 001
6. THE SENIOR GEOLOGIST
DEPARTMENT OF MINES AND GEOLOGY
OPPOSITE MEASONIC HALL
BELLARY-DHARWAD TRUNK ROAD
BELLARY - 583 103

...RESPONDENTS

(BY SRI. DESAI SHARANABASAPPA VIRANNA, CGC FOR R-1 & R-2;
SMT. NILOUFER AKBAR, AGA FOR R-3 TO R-6)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASHING THE ORDER IN SL NO-CI45MMM2016 DATED 10.06.2020 PASSED BY THE RESPONDENT NO.3 (ANNEXURE-J) AND QUASHING THE ORDER IN REVISION APPLICATION NO-13/03/2020/RC-1 DATED 06.05.2022 PASSED BY THE RESPONDENT NO.2 (ANNEXURE-N) TO THE EXTENT OF THE DISENTITLEMENT OF THE PETITIONER FOR DEEMED EXTENSION & ETC.

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS, COMING ON FOR PRONOUNCEMENT THIS DAY, ORDER WAS PRONOUNCED AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU ,CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

C.A.V. JUDGMENT

(PER: HON'BLE MR. JUSTICE C.M. POONACHA)

1. The present writ petition is filed calling in question the order dated 10.06.2020 passed by the respondent No.3 - Principal Secretary, Department of Commerce and Industries (MSME & Mines), State of Karnataka and the order dated 06.05.2022 passed by respondent No.2 - Joint Secretary, Ministry of Mines, Government of India. The petitioner also sought for a direction regarding deemed extension of ML No.2368.

2. The relevant facts in a nutshell leading to the present petition are that the petitioner is the holder of a mining lease (ML No.2368) in respect of an extent of 56.739 Ha (140.20 acres) in Sy.No.326 of Janekunta Village, Ballari Taluk [**subject property**] for mining iron ore, yellow ochre, red ochre and quartzite for a period of 20 years from 26.07.2002. The Supreme Court vide order dated 25.02.2011 [passed in WP No.562/2009: ***Samaj Parivartana Samudaya Vs. State of Karnataka***] directed the Central Empowered Committee [**CEC**] to submit a report on the alleged irregularities in mining operations. Based on the report of the CEC, vide order dated 06.05.2011, the Supreme Court constituted a joint team to conduct survey and demarcation of 99 mining leases in Bellary District, *inter*

alia, to ascertain regarding the extent of encroachment in the adjacent forest/revenue areas and to assess the quantum of illegal mining. Vide order dated 29.07.2011, the Supreme Court ordered a complete ban on mining in Bellary District. The said ban was extended to all iron ore mining leases in Tumkur and Chitradurga districts also by order dated 26.08.2011. The joint team conducted survey of all iron ore and mining leases in the aforementioned three districts.

3. Vide proceedings dated 08.09.2011, the joint team found encroachment beyond the leased area by the petitioner by way of mining pits to the extent of 2.45 Ha; by way of dumps to the extent of 2.17 Ha; and other encroachments to the extent of 11.05 Ha [totaling 15.67 Ha].

4. Pursuant to order dated 23.9.2011 of the Supreme Court, issues raised by the lessees regarding survey conducted by the joint team were heard by the CEC in the hearing held on 01.12.2011, wherein the issues raised by the petitioner were also considered. The CEC in its report dated 03.02.2011 filed to the Supreme Court, placed the mining lease of the petitioner in category B. The CEC did not find any reason to modify/review the

findings of the joint team relating to the mining lease of the petitioner, which was accepted by the Supreme Court.

5. The Supreme Court vide judgment dated 18.04.2013 specified conditions for resumption of mining operations in Category B mining leases (which are applicable to the petitioner) wherein it was ordered that in order to resume mining operations, the lease holders were required to satisfy, *inter alia*, implementation of Reclamation and Rehabilitation [**R&R**]; payment of compensation for the area under illegal mining; payment of guarantee money for implementation of R&R plan; and deposit of 15% of the sale proceeds of the existing iron ore to be sold through the monitoring committee. Accordingly, the monitoring committee appointed by the Supreme Court by notice dated 04.08.2015 called upon the petitioner to take steps for implementation of R&R and also for payment of compensation and guarantee money in a sum of ₹14,85,77,250/-. The said notice was challenged by the petitioner in a revision [Revision Application No.13/17/2015-RC-I] before the second respondent - Joint Secretary. The said revision was dismissed as not maintainable.

6. In the meanwhile, the Mines and Minerals (Development and Regulations) Amendment Act, 2015 (**MMDR Amendment Act**,

2015) came into force on 12.01.2015 and Section 8A was inserted in the Mines And Minerals (Development And Regulation) Act, 1957 [**MMDR Act**].

7. The Director, Department of Mines and Geology as per the Standard Operating Procedure for implementation of the MMDR Amendment Act, 2015 submitted a proposal vide letter dated 09.02.2016 stating that mining lease of the petitioner was not eligible for extension under Section 8A of the MMDR Act in view of the failure on the part of the petitioner to comply with the directions of the monitoring committee to pay the compensation amount, guarantee amount and non implementation of R&R plan. A show cause notice dated 31.12.2018 was issued to the petitioner. The petitioner entered appearance and was heard by the third respondent - Principal Secretary, Department of Commerce and Industry, State of Karnataka. The third respondent by order dated 10.06.2020 held that ML No.2368 was ineligible for extension as per Section 8A(6) of the MMDR Act.

8. The said order dated 10.06.2020 was the subject matter in a revision petition [Revision Application No.13/03/2020/RC-I] filed by the petitioner under Section 30 of the MMDR Act and Rule 36 of the Mineral (Other than Atomic and Hydrocarbons Energy

Minerals) Concession Rules 2016 [**Rules 2016**] before the second respondent. The second respondent by order dated 06.05.2022 [Final Order No.31/2022] disposed of the said revision. Being aggrieved, the present writ petition is filed.

9. It is the primary contention of the petitioner, that having regard to the MMDR Amendment Act, 2015, wherein Section 8A has been introduced in the MMDR Act, the petitioner is entitled to a deemed extension of the lease for a period of fifty years. It is further contented that the finding that the lease of the petitioner has lapsed is erroneous. That the petitioner, not having been able to commence mining operations due to the judgment of the Supreme Court, the finding that the petitioner be penalized for not carrying on mining operations for more than two years is erroneous. It is also contented that there was a mis-description of the leased area. It is contented that the finding of the statutory authorities that the petitioner is not entitled to a deemed extension is erroneous. Hence, the learned counsel for the petitioner seeks for allowing of the petition and granting of the reliefs sought for.

10. Per contra, the learned Additional Government Advocate justifies the order passed by the concerned authorities and seeks for dismissal of the writ petition.

11. With regard to the contention of the petitioner that there was mis-description of the lease inasmuch as the subject matter of ML No.2368 was land bearing No.316 of Srivaram Village and not the subject land, it is pertinent to note that the Supreme Court vide judgment dated 18.04.2013 disposed of the writ petition [W.P. (Civil) No.562/2009]. One of the issues that was considered by the Supreme Court was the sanctity of the process of survey undertaken by the joint team constituted pursuant to its order dated 06.05.2011 and for determination of the boundaries of the leases on the basis of the said survey. In the said context, it was noticed that the field survey was done by seven teams and supervised by the joint team constituted by the Supreme Court. The readings recorded during the field survey were shared with the concerned lessees/representatives before finalizing the survey sketches. The concerned lessees/representatives were given a personal hearing. The final report of the CEC was submitted to the Supreme Court. 66 lease holders had made representations which was also considered by the CEC. Accordingly, the Supreme Court accepted the survey undertaking by the joint team and the report of the CEC. It was further held that the boundaries of the leases fixed by the joint team will 'henceforth be the boundaries of each of the

leases'. It is relevant to note para No.39 of the judgment of the Supreme Court dated 18.04.2013 which reads as under:

"39. We make it clear that we have not understood the above statement as an admission on the part of the Federation and it is on a consideration of the totality of the facts placed before us that we accept the findings of the survey conducted by the Joint Team constituted by the orders of this Court and the boundaries of each of the leases determined on that basis. We further direct that in supersession of all orders either of the authorities of the State or Courts, as may be, the boundaries of leases fixed by the Joint Team will henceforth be the boundaries of each of the leases who will have the benefit of the lease area as determined by the Joint Team. All proceedings pending in any court with regard to boundaries of the leases involved in the present proceeding shall stand adjudicated by means of present order and no such question would be open for re-examination by any body or authority."

(emphasis supplied)

12. The petitioner had made several representations to the CEC for rectification of the area under the mining lease and had also made a request for resurveying the leased area. The petitioner had also made several representations to various statutory authorities regarding alleged mis-description of the leased area.

13. The petitioner filed WP No.26724/2015 requesting for resurvey of leased area which was dismissed by this Court vide

order dated 25.08.2015. The relevant portion of the order dated 25.08.2015 passed by this Court is as under:

"In substance, the prayer in the writ petition is for re-surveying of the leased area.

2. The Director, Department of Mines and Geology, Government of Karnataka, in his order dated August 14/16, 2014, has referred to the order dated April 18, 2013, passed by the Supreme Court of India. The Supreme Court of India, inter alia, directed that the boundaries of each of the lessees, who would have the benefit of leases fixed by the joint team would henceforth be the boundaries of each of the lessees, who would have the benefit of leased area as determined by the joint team.

3. In the aforesaid background, we are of the opinion that the Director concerned was right in refusing to grant the prayer of the writ petitioner for resurveying of the leased area.

4. The Petition is therefore rejected."

14. It is also pertinent to notice that apart from the judgment dated 18.04.2013 of the Supreme Court and W.P. No.26724/2015 being dismissed, the petitioner had also filed a Suit in O.S. No.55/2017, whereby the issue with regard to mis-description of the leased area and non-surveying of the subject property was also raised. The said suit was dismissed by judgment and decree dated 03.09.2021, which has admittedly attained finality.

15. It is further pertinent to note here that the petitioner filed a Review Petition No.1913/2013 before the Supreme Court to review the judgment dated 18.04.2013. The said review petition was dismissed by order dated 30.07.2015. Hence, the contention of the petitioner regarding mis-description of the leased area is untenable and liable to be rejected.

16. Notice dated 04.08.2015 was issued to the petitioner for implementation of the R&R plan and also for payment of a sum of ₹14,85,77,250/-. Admittedly, the petitioner has not submitted any R&R plan nor paid the amounts demanded.

17. Section 4A(4) of the MMDR Act stipulates that, if a holder of a mining lease fails to undertake mining activity for a period of two years from the date of execution of the lease, or has discontinued mining activities for a period of two years, the lease shall lapse on the expiry of the said period of two years. The proviso permits the State Government, on an application made by the leaseholder, before the lapse of the mining lease, to extend the period of two years by a further period not exceeding one year and such extension shall not be granted more than once during the entire lease period.

18. Section 8A(3) of the MMDR Act stipulates that mining leases granted before the commencement of the Amendment Act, 2015, shall be deemed to have been granted for a period of fifty years. However, Section 8A(6) of the MMDR Act states that notwithstanding anything contained in Sub sections (2), (3) and (4) of Section 8A, the renewal of the lease is subject to the condition that all terms and conditions of the lease have been complied with. Section 8A(9) of the MMDR Act stipulates that the provisions of the said Section 8A shall not apply to a mining lease, which has been granted prior to MMDR Amendment Act, 2015, for which renewal has been rejected or which has been determined or lapsed.

19. In the present case, the petitioner has not carried out any mining activity since 2013 despite the Supreme Court permitting resumption of mining operations pursuant to the order dated 18.04.2013, subject to implementation of R&R plan and payment of compensation. It is also noticed that the petitioner has not made any application for permission to carryout mining operations. No explanation is forthcoming from the petitioner regarding same. Hence, having regard to Section 4A(4) and Section 8A(9) of the MMDR Act, the petitioner is not entitled to the benefit of deemed extension.

20. The Supreme Court in the case of **Common Cause V/s Union of India and Others**¹ while considering the interpretation of Section 8A(3), (5), (6) and (9) of the MMDR Act has, *inter alia*, held as under:

" 37. Based on the considerations recorded above, we summarise out conclusions as under:

37.1 A leaseholder would have a subsisting mining lease, if the period of the original grant was still in currency on 12-1-2015. Additionally, a leaseholder whose original lease has since expired, would still have a subsisting lease, if the original lease having been renewed, the renewal period was still in currency on 12-1-2015. Such a leaseholder, would be entitled to the benefit of Section 8-A of the amended MMDR Act.

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37.4 A leaseholder who has moved an application for "first renewal" of the original mining lease, at least twelve months before the original lease was due to expire, and such application has not been rejected, will be considered to be a valid leaseholder having a subsisting right to carry on mining operations till the expiry of two years after 18-7-2014 i.e. up to 17-7-2016 as is apparent from a conjoint reading of the unamended and amended Rule 24-A of the Mineral Concession Rules. Such leaseholder would have the benefit of sub-sections (5) and (6) of Section 8-A of the amended MMDR Act.

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37.7. Based on the interpretation placed by us on Section 4-A(4) of the MMDR Act, and Rule 28 of the Mineral Concession Rules, we can draw the following

¹ (2016) 11 SCC 455

conclusions. Firstly, unless an order is passed by the State Government declaring that a mining lease has lapsed, the mining lease would be deemed to be subsisting up to the date of expiry of the lease period provided by the lease document. Secondly, in situations wherein an application has been filed by a leaseholder, when he is not in a position to (or for actually not) carrying on mining operations, for a continuous period of two years, the lease period will not be deemed to have lapsed till an order is passed by the State Government on such application. Where no order has been passed, the lease shall be deemed to have been extended beyond the original lease period for a further period of two years. Thirdly, a leaseholder having suffered a lapse is disentitled to any benefit of the amended MMDR Act because of the express exclusion contemplated under Section 8-A(9) of the amended MMDR Act."

21. The revisional authority considering the revision filed by the petitioner *inter alia* held as under:

"45. xxxxxx

Admittedly, Revisionist has not filed any application before the State Government explaining as to why he has not been able to undertake mining operation for a continuous period of two years since 18.04.2013 therefore the second point enumerated above has no application in the instant case. Also there has been no pre-mature termination of the mining lease of the Revisionist on ground of lapsing of lease in the instant case therefore the contention of the Revisionist that he had not received any notice for lapsing of lease cannot be sustained.

46. Said this, from a reading of the first and the third point of the conclusion given by the Apex Court in the afore-mentioned case, it is observed that in a case

wherein lessee has failed to undertake mining operations for a continuous period of two years but no order declaring the lease as lapsed is passed by the State Government, the lease of the lessee shall continue to subsist till the date of expiry of the lease as stated in the lease document, but where a lease has suffered a lapse then it is disentitled to any benefit of the amended MMDR Act by application of sub-section (9) of section 8A of the amended MMDR Act. Thus in the instant case as well, since the lease of the Revisionist has not been declared as lapsed by the State Government, the same shall subsist till 25.07.2022, that is till the date of expiry of the lease as per lease document. However since the lease of the Revisionist has definitely suffered a lapse on account of non-conducting of mining operations for the last 9 years, that is from 18.04.2013 till date, it is not entitled to the benefit of deemed extension. The Apex Court in the afore-mentioned conclusion has clearly spelt out the different consequences that shall ensue in case where a lease suffered and has been declared as lapsed and where a lease suffered but has not been declared as lapsed.

47. In view of the above, it is held that the mining lease of the Revisionist is not entitled to deemed extension on account of violation of lease condition for conducting mining operations beyond the area of lease granted under the Mining Lease No. 2368 as established by the Supreme Court appointed Joint Team and also on account of the fact that the lease of the Revisionist has suffered a lapse for remaining idle since 18.04.2013."

(emphasis supplied)

22. In the present case, the petitioner not having resumed mining operations within two years of being permitted to do so; not having

submitted an R&R plan as well as carrying out the required activities; not having paid the demanded amount, the finding of the revisional authority that the mining lease of the petitioner had lapsed, cannot be faulted with.

23. The second respondent - revisional authority has appropriately noticed the entire factual matrix and held that the mining lease of the petitioner is not entitled to deemed extension. The said order dated 06.05.2022 cannot be stated to be erroneous warranting interference by this Court in the present petition.

24. Accordingly, the present petition is dismissed as being devoid of merit.

**SD/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**SD/-
(C.M. POONACHA)
JUDGE**

BS/Vmb/ND