HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JODHPUR

D.B. Special Appeal Writ No. 248/2026

M/s. Corporate Marbles Private Limited, Registered Address 37, Detya Marg, L. N. Mishra Marg, Ward No. 4, Room No. 4, Chamber No. 2, Udaipur, Rajasthan Through Its Director-Shantilal Lal Singhvi S/o Late Kanhaiyalal Singhvi, Aged About 71 Years, Resident Of 53/01, Old Fatehpura, Sewa Mandir Road, Kharol Colony, Udaipur, Rajasthan.

----Appellant

Versus

1. The State Of Rajasthan, Through Its Secretary, Department Of Mine Sand Geology, Govt. Of Rajasthan, Hiran Magri, Udaipur Rajasthan.
2. Joint Secretary, Department Of Mines And Geology, Govt. Of Rajasthan, Jaipur Rajasthan.
3. The Additional Director (Mines), Department Of Mines And Geology,udaipur Rajasthan.
4. The Mining Engineer, Mines And Geology Department, Udaipur Rajasthan.

----Respondents

For Appellant(s)	:	Mr. M.S. Singhvi, Sr. Adv. Asst. by Mr. Abhishek Mehta Mr. Muktesh Maheshwari Mr. Chirag Kalani Ms. Mansi
For Respondent(s)	:	Mr. Mahaveer Bishnoi, AAG

HON'BLE THE ACTING CHIEF JUSTICE MR. SANJEEV PRAKASH SHARMA
HON'BLE MR. JUSTICE SANJEET PUROHIT

Order

16/04/2026

1. The short question involved in the present appeal is whether the option of cancelling the lease should have been resorted to when the appellant was ready to deposit the unpaid dead rent along with interest.

2. Learned Senior counsel appearing for the appellant submits that the Division Bench of this Court has, time and again, held that if there are two options of imposing a fine and/or cancelling the lease, the lesser of the two should be first opted. Learned Senior counsel further relied upon the judgment passed by one of us while sitting singly in the ***S.B.C.W.P. 5368/2025 (Takhat Singh* vs. *State of Rajasthan)*** where a similar view has been taken.

3. Learned Senior counsel has also pointed out that while the lease was cancelled in haste, the appellant had already deposited the entire amount of dead rent along with interest within 15 days. The appellant is also ready to deposit any amount which may be imposed on them by way of penalty.

4. On the other hand, learned counsel appearing for the respondents submits that the conduct of the appellant cannot be said to be such where the said benefit should be granted as the amount of dead rent as well as other dues were not being paid time and again.

5. The change in address was also not provided to the Mining Department where they could be informed about payment of dead rent. Learned counsel has also invited our attention towards the judgment passed by the learned Single Judge, where the relevant rules have been quoted as follows: -

> *"Rule 18(21)(a) : In case of any breach on the part of the lessee of any covenant or condition contained in the lease, the competent authority may determine the lease and take possession of the said premises and forfeit the security money or in the alternative may impose payment of a penalty not exceeding twice the amount of annual dead rent of the lease. Such action shall not be taken unless the*

> *lessee has failed to remedy the breach after serving of 15 days notice;..."*

6. Learned counsel for the respondents further submits that the option of cancellation of lease as resorted to by the authorities was justified and did not warrant any interference.

7. We have carefully considered the judgment which is passed by the learned Single Judge and also the submissions advanced at Bar. The Hon'ble Division Bench of this Court vide order dated 08.07.2019 passed in the case of ***State of Rajasthan* Vs. *Sojat Lime Company*** in **D.B. Spl. Appl. Writ No. 200/2019** has held as under:

> *"This Court notices that as urged on behalf of the State, Rule 18(21)(a) undoubtedly confers discretion upon the State to adopt either the course of cancellation of the lease straightway after issuing notice or to recover twice the amount of rent. In the present case, the learned Single Judge was largely influenced by the fact that the State did not, having regard to the overall circumstances, explore the possibility of exercising the lesser drastic measure of recovering the lease amounts along with penalty amounts as imposed and instead proceedings straightway cancelling the lease deed.*
>
> *This Court is of the opinion that no fault can be found with the impugned order, particularly since the learned Single Judge has preserved the discretion of the State to determine the penalty/damages in terms of the second part of Rule 18(21)(a) of the Rules of 1986. The measure is also in accordance with doctrine of proportionality.*
>
> *The appeal is accordingly dismissed. "*

8. We also notice that the impugned order has been passed without giving opportunity of hearing to the appellant. Of course, the same is on account of the fact that an address change was made by the appellant, but was not conveyed to the Mining Department. We also notice that respondents have not put the mining lease for fresh auction.

9. Be that as it may, we find that a company which is engaged in mining activity would be deprived of its business if the lease is cancelled. On the other hand, if the company is being given an opportunity to deposit the dues and also the penalty which may be imposed on them, the company's right to continue business would be protected. The same principle is what has been generally outlined by the Division Bench earlier in the case of the ***State of Rajasthan* vs. *Sojat Lime Company*** (supra).

10. We noticed that aforesaid judgment has not been considered by the learned Single Judge while deciding the writ petition. In this view of the matter, we set aside the judgment dated 13.11.2025 and direct that the impugned orders dated 05.04.2024 & 23.04.2024 shall be set aside and the lease shall be restored. The Department would be free to impose penalty in accordance with law and applicable rules.

11. Further, undertaking shall be given by the appellant to pay the dead rent regularly. If the non-payment is again reported, the Department shall be free to take steps including cancellation of lease.

12. The appeal is, therefore, allowed.

13. Accordingly, we impose penalty to the extent of twice the amount of dead rent which was due to be paid.

(SANJEET PUROHIT),J **(SANJEEV PRAKASH SHARMA),ACJ**

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