

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.17588 of 2022

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M/s Sone Valley International Pvt. Ltd., having its office at C/o- Saraswaticumari, Resident of- Road No.- 38, Kautilya Nagar, B.M.P Road, Patna- 800001, represented through its Director namely Anil Kumar Srivastava, male, aged about- 61 years, Son of Late Fekan Lal, Resident of Village- Baghini, Post- Harnathpur P.S.- Bagini, District- Kaimur (Bhabhua).

... .. Petitioner/s

Versus

1. Bihar State Mining Corporation Ltd., Government of India Undertaking through the Director, Mines-cum-CEO Bihar State Mining Corporation (BSMC) Ltd., Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
2. Director, Mines-cum-CEO Bihar State Mining Corporation (BSMC) Ltd, at Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
3. Joint Secretary, Bihar State Mining Corporation Ltd., Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
4. General Manager, Bihar State Mining Corporation Ltd. at Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
5. Authorized Officer, Bihar State Mining Corporation Ltd. (BSMCL) Bihar at Patna at Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
6. Chief Executive Officer, Bihar State Mining Corporation Ltd. (BSMCL) at Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
7. Company Secretary, Bihar State Mining Corporation Ltd. (BSMCL) at Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
8. Accounts Section Officer, Bihar State Mining Corporation Ltd. (BSMCL) at Room No.- 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna.
9. District Mines Officer, Rohtas, District- Rohtas (Sasaram)

... .. Respondent/s

with

Civil Writ Jurisdiction Case No. 1794 of 2023

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M/s Maa Durga Fuel Station through its Proprietor Akhilesh Kumar, aged about 38 years, Son of Raj Ballabh Prasad, Resident of Village- Pathra English, Post- Orhanpur, Police Station- Muffasil, District- Nawada, having its registered office at Village- Pathra English, Post- Orhanpur, Police Station- Muffasil, District- Nawada.

... .. Petitioner/s

Versus

1. The State of Bihar through the Additional Chief Secretary-cum-Principal Secretary, Mines and Geological Department, Govt. of Bihar, Patna.



2. The Additional Chief Secretary-cum- Principal Secretary, Mines and Geological Department, Govt. of Bihar, Patna.
3. The Director, Mines and Geological Department, Govt. of Bihar, Patna.
4. Bihar State Mining Corporation Ltd. through its Managing Director, Room No.164, Vikash Bhawan (New Secretariat), Bailey Road, Patna- 800015.
5. The Chief Executive Officer, Bihar State Mining Corporation Ltd., Room No.164, Vikash Bhawan (New Secretariat), Bailey Road, Patna- 800015.
6. The Administrative Officer, Bihar State Mining Corporation Ltd., Room No.164, Vikash Bhawan (New Secretariat), Bailey Road, Patna- 800015.

... .. Respondent/s

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with

Civil Writ Jurisdiction Case No. 2049 of 2023

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Akhilesh Kumar, Son of Raj Ballabh Prasad, Resident of Village- Pathra English, Post- Orhanpur, Police Station- Muffasil, District- Nawada.

... .. Petitioner/s

Versus

1. The State of Bihar.
2. The Additional Chief Secretary-cum-Principal Secretary, Mines and Geological Department, Govt. of Bihar, Patna.
3. The Director, Mines and Geological Department, Govt. of Bihar, Patna.
4. Bihar State Mining Corporation Ltd. through its Managing Director, Room No. 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna- 800015.
5. The Chief Executive Officer, Bihar State Mining Corporation Ltd., Room No. 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna- 800015.
6. The Administrative Officer, Bihar State Mining Corporation Ltd., Room No. 164, Vikash Bhawan (New Secretariat), Bailey Road, Patna- 800015.

... .. Respondent/s

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with

Civil Writ Jurisdiction Case No. 8256 of 2023

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Bimal Kumar, Son of Shyam Sundar Yadav, resident of Kurji More, Sadaquat Ashram, P.S. Digha, District- Patna, Bihar.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Mines & Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Principal Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Director, Mines & Geology Department, Government of Bihar, Vikas



Bhawan, Bailey Road, Patna.

4. The Collector cum District Magistrate, Patna.
5. The District Mining Officer, Patna.
6. The Bihar State Mining Corporation Limited through its, Chief Executive Officer, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.
7. The Administrative Officer, Bihar State Mining Corporation Limited, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.

... .. Respondent/s

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with

Civil Writ Jurisdiction Case No. 8283 of 2023

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Ashok Kumar, Son of Medni Ray, Resident of Village Haldi Chhapra, Badan Tola, P.O. and P.S.- Maner, District- Patna, Bihar.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Principal Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Collector cum District Magistrate, Patna.
5. The District Mining Officer, Patna.
6. The Bihar State Mining Corporation Limited, through its, Chief Executive Officer, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.
7. The Administrative Officer, Bihar State Mining Corporation Limited, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.

... .. Respondent/s

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with

Civil Writ Jurisdiction Case No. 8309 of 2023

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Nagendra Kumar, Son of Mundrika Ray, Resident of New Gosai Tola, P.O. and P.S. Danapur, District- Patna, Bihar.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Principal Secretary cum Mines Commissioner, Mines and Geology



Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.

3. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Collector cum District Magistrate, Arwal.
5. The District Mining Officer, Arwal.
6. The Bihar State Mining Corporation Limited, through its, Chief Executive Officer, Room No. 164, Vikas Bhawan (New Secretariat), Bailey Road, Patna 800015.
7. The Administrative Officer, Bihar State Mining Corporation Limited, Room No. 164, Vikas Bhawan (New Secretariat), Bailey Road, Patna 800015.

... .. Respondent/s

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with

Civil Writ Jurisdiction Case No. 9723 of 2023

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Mor Mukat Marketing Private Limited, a company incorporated under the Companies Act, having its office at Plot No. 388/389, Near Biscuit Factory More, Nasriganj, Digha, Danapur, Patna through its Director Jitendra Kumar Singh, aged about 43 years (Male), son of Rama Prasad Singh, resident of Village Sirpalpur, P.S. Kochas, District Rohtas.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Principal Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Collector cum District Magistrate, Patna.
5. The District Mining Officer, Patna.
6. The Bihar State Mining Corporation Limited through its Chief Executive Officer, Room No. 164, Vikas Bhawan (New Secretariat), Bailey Road, Patna 800015.
7. The Administrative Officer, Bihar State Mining Corporation Limited, Room No. 164, Vikas Bhawan (New Secretariat), Bailey Road, Patna 800015.

... .. Respondent/s

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with

Civil Writ Jurisdiction Case No. 9774 of 2023

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Ravindra Kumar Ray, Son of Raghunath Ray, Resident of Near Bharat Gas Agency, P.O. Bartand, P.S. Town, District- Dhanbad, Jharkhand.

... .. Petitioner/s



Versus

1. The State of Bihar through the Principal Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Principal Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Collector cum District Magistrate, Bhojpur.
5. The District Mining Officer, Bhojpur.
6. The Bihar State Mining Corporation Limited, through its, Chief Executive Officer, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.
7. The Administrative Officer, Bihar State Mining Corporation Limited, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.

... .. Respondent/s

with

Civil Writ Jurisdiction Case No. 9784 of 2023

Bindhyavasini Commercial Services Pvt Ltd, a company incorporated under the Companies Act, having its offices at Hetibandh, Jharia, Kali Mandir, Dhanbad, Jharkhand, through its authorised signatory Prabudha Kumar Singh, aged about 53 years (male), son, of Ram Ballabh Prasad Singh, resident of Near Suraksha Clinic, Hetibandh, Jharia, Kali Mandir, P.S. Jhariya, Dhanbad, Jharkhand.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Principal Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Collector cum District Magistrate, Patna.
5. The District Mining Officer, Patna.
6. The Bihar State Mining Corporation Limited through its, Chief Executive Officer, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.
7. The Administrative Officer, Bihar State Mining Corporation Limited, Room No. 164, Vikas Bhawan, (New Secretariat), Bailey Road, Patna 800015.

... .. Respondent/s

Appearance :

(In Civil Writ Jurisdiction Case No. 17588 of 2022)



For the Petitioner/s : Mr. Sumeet Kumar Singh, Advocate
 For the Respondent/s : Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 1794 of 2023)
 For the Petitioner/s : Mr. Sudhir Kumar Singh, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA-7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 2049 of 2023)
 For the Petitioner/s : Mr. Gopal Bohra, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 8256 of 2023)
 For the Petitioner/s : Mr. Suraj Samdarshi, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 8283 of 2023)
 For the Petitioner/s : Mr. Suraj Samdarshi, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 8309 of 2023)
 For the Petitioner/s : Mr. Suraj Samdarshi, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 9723 of 2023)
 For the Petitioner/s : Mr. Suraj Samdarshi, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 9774 of 2023)
 For the Petitioner/s : Mr. Avinash Shekhar, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines
 (In Civil Writ Jurisdiction Case No. 9784 of 2023)
 For the Petitioner/s : Mr. Avinash Shekhar, Advocate
 For the Respondent/s : Mr. Gyan Prakash Ojha, GA- 7
 Mr. Naresh Dikshit, Spl. P.P. Mines

CORAM: HONOURABLE MR. JUSTICE HARISH KUMAR
ORAL JUDGMENT

Date : 31-08-2023

Heard learned counsel for the petitioners in all the batch cases and Mr. Naresh Dikshit, learned Special P.P. for the Mines as well as learned counsel for the State

2. Since in each of these cases, the issue involved and the relief prayed by the petitioners is identical, hence the same has been taken up together for analogous hearing and disposal with the consent of all the parties.



3. The petitioners, who have been engaged as contractor to carry out Mining activities on behalf of the Bihar State Mining Corporation Limited (hereinafter referred to as 'the Corporation') wherein the Corporation is a concessionaire/ lease holder as defined under Rule 2(XVII) of the Bihar Minerals (Concession, Prevention of Illegal Mining, Transportation and Storage) Rules, 2019 (hereinafter referred to as 'the Rules, 2019' being aggrieved by the order(s) issued by the Chief Executive Officer, Bihar State Mining Corporation Limited, Patna approached before this Court seeking quashing of the order whereby the petitioners have been saddled with penalties under Rule 56 of the Rules, 2019 along with a direction debarring the petitioners from participating in the auction process for sand ghats in the State of Bihar till such payment is made. The writ petitioners also prayed for a direction upon the Corporation to refund the whole of the security deposit made by the petitioners in course of completion of formalities while executing the agreement, which has been adjusted against the aforesaid penalty and also for refund of the remaining amount recovered from the petitioners in the name of aforesaid penalty.

4. The petitioners having been declared successful



bidder, awarded the contract for operation of different sand ghats till 31.03.2022 or till further orders of the Hon'ble Supreme Court in the case of State of Bihar and Ors. Vs. Pawan Kumar and Others (Civil Appeal Nos. 3661-3662 of 2020).

5. After having completed all the paraphernalia, including the payment of auction amount in installment, execution of agreement and its registration of payment of stamp duty, payment of Income tax etc. with an undertaking to strictly observe the terms and conditions of approved Mining plan and environmental clearance, the respondent Corporation issued work order(s) in favour of the petitioners in connection with the contract awarded for mining operations. The engagement of the petitioners as contractors was to carry out mining operations in terms of the provisions of Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as 'the Act, 1957'), the Corporation had engaged the petitioners to extract minerals from the sand ghat identified by the corporation and to sell/supply the same to the purchasers/customers. The quantity of sand exist in the sand ghat was already assessed by the respondent Corporation and the minimum reserve price of such stock of sand was indicated in the auction notice. The auction amount was the actual cost of minerals already recovered by the



Corporation from the petitioners. As per the relevant terms of the tender notice, especially Clause 24 thereof it prescribes that every vehicle (including boat) engaged in transportation of sand shall have to be registered with the respondent Department of Mines and Geology. All such vehicles, which are registered with the Department would have to install GPS (which can be communicated with the monitoring system of the Department) so that its movement can be monitored by the department. Further Clause 31(i) deals with obligation to the contractor to issue E Challan to the driver of the vehicle for transportation of sand.

6. Thus, the role and obligation of the petitioners were confined to the sale of sand to a purchaser, who would be allowed to collect such sand from the petitioners' sandghats in a vehicle, which is registered with the Department of Mines and Geology. In case, such vehicle would not be registered with the Department, no challan would be generated by the portal of the department and vice versa would hold true that a challan generated by the portal of the Department implies that such vehicle had appropriate registration with the department entitling it to transport sand from one place to other.

7. It is the case of the petitioners that all on a



sudden they received show-cause notices wherein the respondent Corporation alleged the petitioners of having issued E-challan in favour of unrealistic vehicles for transportation of sand. By the aforesaid show-cause notice, the petitioners have been shown liable for penalty in terms of Rule 56 of Rules 2019. The petitioners submitted a detailed reply in response to the said show-cause notice, vehemently opposing the proposed penalty, that the terms of Rule 56 of Rules 2019 is not at all applicable in the case of the petitioners, who happens to be a valid licensee in terms of the agreement executed by the respondent Corporation. Pursuant to the reply submitted by the petitioners, the respondents has passed the impugned order(s) whereby the liability of penalty to the tune of alleged excess of transportation of sand has been imposed in exercise of powers under Rule 56 of the Rules, 2019 on the ground of each challan having been incorrectly/wrongly issued by the petitioners to the unrealistic vehicles and also debarred the petitioners from participating in tenders of sand ghat in the State of Bihar till such time, the payment is made.

8. It is submitted on behalf of the petitioners that the impugned orders issued by the respondent Chief Executive Officer of the Corporation imposing penalty under Rule 56 of



the Rules, 2019 as against the petitioners is wholly without jurisdiction and unsustainable in the eyes of law on the grounds enumerated in their respective petitions. Some of the relevant grounds, inter alia, are that the respondent Corporation and its authority had no jurisdiction to impose penalty under Rule 56 of the Rules, 2019 for an offence allegedly committed in terms of Section 192 of the Motor Vehicles Act, 1988. That apart, the authority had no jurisdiction in terms of the Rule 56 of the Rules, 2019. The petitioners in their respective writ petitions have raised various other grounds, including the grounds quoted hereinbelow:

“(c) No jurisdiction in terms of rule 56 of rules 2019 to initiate any proceeding as against the petitioner as the petitioner is a contractor with valid license to carry out mining activities in terms of agreement with the Corporation. Besides, the petitioner is not a transporter engaged in transportation of sand nor has caused such transportation of sand.

Rule 56 of the rules 2019 is in two parts- one is that which applies to a case of persons carrying out mining activities and another to persons engaged in transportation of minerals. Petitioner herein is a mining contractor and not at all a transporter. As such it is the said part of rule



56 dealing with engagement of a person in mining operations which would apply and not that which applies to the case of transporter.

(d) The petitioner is simply a contractor engaged by the Corporation to carry out mining operations which includes excavation and extraction of sand from the sandghats wherein the last activity to be performed is sale of sand from the sandghats. The petitioner is not concerned at all with the mode and mean of transportation of such sand from the point of sale. The petitioner is simply a seller of sand from the sandghats awarded under contract.”

9. While concluding the arguments, as discussed hereinabove, it is submitted that in similar circumstance, the learned coordinate Bench of this Court while adjudicating the identical issue vide order dated 02.05.2023 passed in C.W.J.C. No. 111 of 2023 (**M/S Harsh Construction Vs. The State of Bihar and Others**) has put a quietus to the issue/claim and held as follows:

“21. On the other hand Rule 56 of the Rules deals with penalty for unauthorized extraction and removal of minor minerals. Rule 56(1) of the Rules as quoted herein above is quite clear when it provides that whoever is found to be



extracting or removing minor minerals or on whose behalf such extraction or removal is being made, otherwise than in accordance of these Rules, he would be liable for punishment, as provided under the said provision. Thus, in the opinion of this Court, the very heading of Rule 56 which talks about penalty for unauthorized extraction and removal of minor minerals, contemplates that the same is with respect to persons not having a valid license/agreement for extraction of minor minerals. In case, the person is having a valid license, the permission for extraction already being there, in case there is any breach, the provision of Rule 30 which deals with penalty in case of breach of terms would come into play.

22. So far as the facts of the instant case is concerned, there is no dispute that pursuant to the petitioner being the highest bidder for the mine in question, work order dated 8.12.2021 (Annexure-1) was issued in his favour and subsequently an agreement was also entered into on 29.3.2022 (Annexure-2) between the BSMCL and the petitioner. Thus in the opinion of the Court the case of the petitioner would not come under Rule 56 of the Rules and the order impugned is not sustainable on this ground alone.

23. It may further be stated



here that so far as the ground of incorrect e-challans being issued is concerned, it was submitted by learned senior counsel appearing for the petitioner that the petitioner was required to fill up Form-G and on the same being accepted that the mineral transit pass / e-challans is generated by the Department of Mines and Geology, Government of Bihar. Besides the details mentioned in Form-G, at Sl. no. 16 thereof the vehicle number is required to be given. Learned senior counsel submitted that it is the categorical case of the petitioner that in absence of the registration number of the vehicle being available, with respect to the vehicle the petitioner supplied the chassis number of the vehicle and the respondents issued the e-challans for transportation of the mined sand.”

10. Needless to observe that in the aforementioned case Mr. Naresh Dikshit, learned Special P.P. for the Mines Department was representing the case of the respondents. Today, he fairly submits that the issue involved in the batch of these writ applications has been elaborately answered by the learned co-ordinate Bench in the case of M/S Harsh Construction (supra).

11. Taking note of the aforesaid facts, this Court also feels it apt and proper to dispose of the batch of these writ



petitions in terms of the order passed by the learned Coordinate Bench of this Court in the case of **M/S Harsh Construction** (supra) and accordingly in consequence thereof the order(s) under challenge passed by the concerned respondent authority in all the writ petitions are hereby quashed and cancelled. The Chief Executive Officer, Bihar State Mining Corporation Limited, Patna is directed to refund the respective security of all the petitioners within a period of three months from the date of receipt/production of a copy of this order. Further, in case, those petitioners, who were forced to make additional payment of fine besides the security deposits, shall also be entitled for refund from the respondents.

12. All the writ petitions stand disposed of.

(Harish Kumar, J)

uday/-

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	12.09.2023
Transmission Date	NA

