



WP(MD)No.17739 of 2021

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : **22.11.2023**

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THE HONOURABLE **MR.JUSTICE N.ANAND VENKATESH**

W.P.(MD)No.17739 of 2021

D.Dharmalingam

...Petitioner

/Vs./

1.The District Collector,
Collectorate,
Trichy.

2.The Assistant Director of Geology and Mines,
Collectorate,
Trichy.

...Respondents

PRAYER:- Petition - filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus, directing the 1st respondent to return the entire lease amount of Rs.3,60,000 security deposit of Rs.36,000 anticipated signorage fee of Rs.3,78,000/- in all amounting to total of Rs.7,75,100/- along with simple interest of 8 percentage deposited at the time of execution of lease deed dated 02.07.2008 forthwith to the petitioner.

For Petitioner : Mr.K.R.Krishnan

For Respondents : Mr.A.K.Manikkam

Special Government Pleader



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ORDER

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This writ petition has been filed for issuance of writ of mandamus directing the first respondent to return the amount that was deposited by the petitioner at the time of granting lease to the petitioner for stone quarry amounting to Rs.7,75,100/- along with simple interest at the rate of 8% from 02.07.2008.

2. The case of the petitioner is that he participated in tender cum auction process for quarrying rough stone for a period of five years and the petitioner offered the highest tender amount. The petitioner was declared as successful tenderer for the rough stone quarry. The petitioner had remitted the lease amount of Rs.3,60,000/-, security deposit of Rs.36,000/- and seigniorage fees of Rs.3,78,000/- and in total, a sum of Rs.7,75,100/- at the time of execution of lease deed on 02.06.2008.

3. The further case of the petitioner is that the period of lease was from 02.06.2008 to 01.06.2013. The petitioner filed a writ petition in WP(MD)No. 8368 of 2011 before this Court for a direction to the District Collector to remove the encroachment in the quarry land and to extend the period of lease for a period of five years from the date of handing over of the quarry. This writ



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petition was dismissed by order dated 05.01.2017 and the petitioner was given liberty to initiate separate proceedings against the official respondents on the basis of the alleged encroachment made in the quarry land.

4. The petitioner filed yet another writ petition in WP(MD)No.2920 of 2017 for a direction to the official respondents to extend the lease period and to permit the petitioner to carry on with quarry operations for the period of five years. This writ petition also came to be dismissed by order dated 19.07.2017. While dismissing this writ petition, liberty was granted to the petitioner to seek refund of the amount deposited.

5. Pursuant to the above order, the petitioner made a representation on 19.01.2020 to the respondents seeking for refund of the amount along with interest. Since the representation was not acted upon, the present writ petition has been filed before this Court.

6. The respondents have filed a counter affidavit. The relevant portions in the counter affidavit are extracted hereunder:-

“8) It is submitted that the Hon'ble Court had held due lapse of time extension of lease period cannot be granted but have liberty to the Petitioner to seek the refund of amount



already deposited. In this connection it is submitted that the Petitioner has remitted the one time lease amount of Rs. 3,61,000/-, Security Deposit of Rs.36,000/- and the Area Assessment of Rs.2,000/- as directed in the proceedings of the 1st Respondent in Na.Ka.No.263/2008 dated 12.04.2008 and executed the lease deed on 02.06.2008 and the period of five years lease expired on 01.06.2013. Accordingly, the amount remitted by the Petitioner in respect of the subject matter Stone quarry into the Government account is Rs.3,99,000/- only and not Rs.7,75,100/- as stated in the prayer of the present W.P. Accordingly, as ordered by the Hon'ble Court, the amount to be refunded to the Petitioner works out Rs.3,99,000/- only which may be considered for refund if the Petitioner makes representation to the 1st Respondent instead of insisting the extension of period of lease of five years over the subject Rough Stone quarry granted on lease.

9) It is submitted that the Petitioner has prayed the Hon'ble Court to issue a direction to the Respondents to refund the amount already remitted In respect of the subject matter Rough Stone quarry with a simple interest of 8%. In this connection it is submitted that as ordered by the Hon'ble Court in its order dated 19.07.2017 in W.P.No.2720/2017, it is just that the amount of Rs.3,99,000/- already remitted by the Petitioner in respect of the Rough Stone quarry situated in an extent of 3.95.5 hectares of Government Poramboke land in S.F.No.411/1 (Part) of Serukudi Village, Musiri Taluk may be refunded to the Petitioner if the Hon'ble Court orders in the present W.P. However it is submitted that the prayer of the Petitioner to pay 8% simple interest on the amount already



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remitted by the Petitioner cannot be considered as there is no provision in Tamil Nadu Minor Mineral Concession Rules, 1959 to pay simple or compound interest on the amount paid by the lessees to the Government. Hence the prayer of the Petitioner in this para need not be considered.”

7. Heard Mr.K.R.Krishnan, learned counsel appearing for the petitioner and Mr.A.K.Manikkam, learned Special Government Pleader for the respondents.

8. It is quite clear from the counter affidavit filed by the respondents that the petitioner is entitled for refund of Rs.3,99,000/-. The only other issue that has to be dealt with is with regard to interest that is claimed by the petitioner towards the refund amount.

9. The learned Special Government Pleader appearing on behalf of the respondents submitted that the petitioner is not entitled for payment of any interest and to substantiate this submission, the learned counsel relied upon the judgment of the ***Patna High Court in Nagendra Kumar vs. The State of Bihar through the Principal Secretary, Mines and Geology Department and others in Civil Writ Jurisdiction Case No.11600 of 2022*** dated 19.12.2022.



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10. Per contra, the learned counsel appearing for the petitioner relied upon the judgment of this Court in WP(MD)No.6371 of 2021, dated 29.03.2021.

11. In the instant case, even as per the counter affidavit filed by the respondents, the petitioner is entitled for refund of a sum of Rs.3,99,000/-. This amount was not able to be paid to the petitioner immediately, since the petitioner was seeking for extension of the lease period and two writ petitions were filed before this Court in this regard. This Court held that the petitioner is not entitled to seek for extension of the lease period and this decision attained finality only after the order was passed in WP(MD)No.2920 of 2017 dated 19.07.2017. After this order was passed, the petitioner made a representation only on 19.01.2020 seeking for refund of the amount deposited by the petitioner along with interest.

12. Insofar as payment of interest is concerned, the judgment that was relied upon by the learned counsel appearing for the petitioner in WP(MD)No. 6371 of 2021 makes it clear that where there is a delay on the part of the Government in making payment and there is no dispute with regard to liability, the interest should be paid for the period covering delay. I am completely in



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agreement with this judgment cited by the learned counsel appearing for the petitioner. That apart, it will also be relevant to take note of the judgment of the Hon'ble Apex Court in *Dharmendra Kumar Singh vs. State of Uttar Pradesh and Others* reported in **2021 1 SCC 93**, where the Hon'ble Apex Court had also directed payment of simple interest at para 43 and 44 of the judgment.

13. In view of the above, this Court is inclined to direct the respondents to pay interest to the petitioner. This interest is payable to the petitioner only from the date on which the representation was made by the petitioner ie., on 19.01.2020. In view of the same, there shall be a direction to the respondents to refund the sum of Rs.3,99,000/- along with interest at the rate of 7.5% per annum from January, 2020 till the date of actual payment to the petitioner. In any case, the refund shall be done to the petitioner within a period of six weeks from the date of receipt of a copy of this order.

14. This writ petition is disposed with the above directions. No costs.

22.11.2023

NCC : Yes/No
Internet : Yes/No
Index : Yes/No
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N.ANAND VENKATESH, J.

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TO:-

- 1.The District Collector,
Collectorate,
Trichy.
- 2.The Assistant Director of Geology and Mines,
Collectorate,
Trichy.

Order made in
W.P.(MD)No.17739 of 2021

Dated:
22.11.2023