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W.P.No.18770 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.11.2025

CORAM :

THE HONOURABLE MR. JUSTICE M. DHANDAPANI

W.P.No.18770 of 2024

M.Lilly

... Petitioner

Vs.

The District Collector,
Tiruvallur District,
Tiruvallur.

... Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus, to call for the connected the records of the District Collector, Tiruvallur, the respondent herein relating to his proceedings R.C.No.492/2011/G & M-2 dated 22.11.2023 and quash the same and consequently direct the respondent to refund to the petitioner the proportionate license fee in terms of the unquarried period from 19.10.2015 to 23.11.2015 and the Security Deposit with a simple interest of 24 interest.

For Petitioner : Mr.D.Selvaraju
for M/s.P.Kannan Kumar

For Respondents : Mr.Stalin Abimanyu
Additional Government Pleader



W.P.No.18770 of 2024

ORDER

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This Writ Petition has been filed seeking a Writ of Certiorarified Mandamus, to call for the records of the respondent relating to his proceedings R.C.No.492/2011/G & M-2 dated 22.11.2023 and quash the same and consequently, to direct the respondent to refund to the petitioner the proportionate license fee in terms of the unquarried period from 19.10.2015 to 23.11.2015 and the Security Deposit with a simple interest of 24 interest.

2. It is the case of the petitioner that she made an application seeking quarrying permission to remove 4732 lorry loads of savudu earth from S.No.593 (Part) WRD tank of Perungavur Village, Ponneri Taluk in Tiruvallur District. Based on the recommendations of the statutory authorities, the respondent vide proceedings dated 29.09.2015 granted permission to the petitioner in terms of Rule 12 of Tamil Nadu Minor Mineral Concession Rules, 1959 (in short 'the Rules') for removal of savudu earth from the said tank for a period of 55 days from 30.09.2015 to 23.11.2015 and directed the petitioner to remit seigniorage fee of Rs.5,67,840/- and Rs.56,784/- towards Security Deposit. Immediately, the petitioner had executed a lease deed with the respondent on 29.09.2015. However, the petitioner could not commence the quarrying operation immediately from 30.09.2025 itself, since the approach road to the quarrying



W.P.No.18770 of 2024

site located inside the tank bed could not be formed immediately in the tank bed because of rain in the last week of September, 2015. Thereafter, the petitioner was able to quarry only for 5 days upto 18.10.2015 after forming approach road at her own cost. All of a sudden, the Assistant Director (Mines), Tiruvallur who came to the quarrying site on 19.10.2025 and orally stopped the petitioner's quarrying operations without any order in writing and when asked for its reason, the said authority told that the respondent told to stop the quarrying presumably due to the complaint petitions of one Gobi and one Saranraj, who has also filed a PIL before this Court objecting any quarrying within Perungavur lake bed. Thereafter, the petitioner made a representations dated 27.10.2015, 29.10.2015 and 19.11.2015 before the respondent seeking permission to restart her quarrying operations. However, no order was passed, thereby the petitioner approached this Court by way of W.P.No.15723 of 2016 to restart and complete her quarrying operations in the permitted area. This Court, by its order, dated 23.06.2016, dismissed the said writ petition, against which, the petitioner has filed W.A.No.367 of 2017 before this Division Bench of this Court and the same was also dismissed, against which, she approached the Hon'ble Supreme Court in S.L.P. (C) No.16554 of 2018 and the Hon'ble Supreme Court has dismissed the same, granting permission to the petitioner to make a representation before the respondent authority for refund of the proportionate license fee with claim



W.P.No.18770 of 2024

for interest enclosing the said letters and proof of service, within a period of two weeks from the date of the order and upon receipt of the representation, the respondent was directed to consider the same within a period of three months thereafter. Subsequently, the petitioner has made a representation, dated 24.08.2023 before the respondent, however the same was rejected by the respondent vide impugned order, dated 22.11.2023. Challenging the same, the petitioner has filed this writ petition before this Court.

3. Learned counsel for the petitioner submits that though the petitioner was granted permission for removal of 4732 lorry loads of savudu earth, however she removed only 228 lorry load, thereby she is entitled for refund of the proportionate licensee fee and security deposit. However, the said request was rejected by the respondent citing rule12(2A)(g) of the Rules, which is not applicable to the petitioner, since the same is applicable only to the person who is not able to excavate the savudu due to incapacity, that cannot be put against the petitioner. The quarry operation was not done by the petitioner due to the instructions given by the respondent and hence, the petitioner is not at fault. Further, he submitted that during the pendency of this writ petition, the respondent had passed an order, dated 20.11.2025, demanding a sum of Rs.19,87,440/- on the basis of the audit objection for non-operated quarry and



W.P.No.18770 of 2024

the same is contrary to the decision of the Hon'ble Supreme Court. Accordingly, he prays for appropriate orders.

4. Learned Additional Government Pleader appearing for the respondent submits that vide G.O.(D) No.214, Industries (MMC.2) Department, dated 03.11.2015, the Government has fixed certain rates for minor minerals and ordered to collect it as cost of the mineral excluding seigniorage fee at the quarry site for the year 2015 – 2016 for the existing leases/leases to be granted in the year 2015 – 2016 with effect from 01.04.2015. As such the cost of mineral at the quarry site for earth/savudu is Rs.420/- per load. Further, he submitted that based on the audit objection, the petitioner has been instructed to remit the cost of mineral to the tune of Rs.19,87,440/-. As per the Tamil Nadu Financial Code, Volume I, Article 271, deposits lying unclaimed for more than four financial years shall be lapsed to Government. Hence, the security deposit amount of Rs.56,784/- remitted by the petitioner had lapsed during the year 2019. Therefore, as per the said article and Rule 12(2-A)(g) of the Act, the seigniorage fee and security deposit could not be refunded to the petitioner. Moreover, the petitioner has dues to the Government to the tune of Rs.19,87,440/- towards the cost of mineral. Hence, he prays for dismissal of writ petition.



W.P.No.18770 of 2024

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5. Heard both sides and perused the materials available on record.

6. Admittedly, the petitioner was granted quarry license for removal of 4732 lorry loads of ordinary earth from S.F.No.593 (Part) WRD tank of Perungavur Village, Ponneri Taluk in Tiruvallur District for a period of 55 days from 30.09.2015 to 23.11.2015 on remittance of seigniorage fee Rs.5,67,840/- and Security Deposit Rs.56,784/-. Thereafter, it is claimed by the petitioner that she removed only 228 loads and subsequently, the same was stopped by the Assistant Director (Mines) on 19.10.2025. After the disposal of the PIL filed by one Gobi and Saranraj, the petitioner has made representation seeking permission to restart her quarrying operations. Since the same was not considered, the petitioner has approached and thereafter the Supreme Court and the said request was dismissed. However, the Supreme Court has granted permission to the petitioner to make representation for refund of the proportionate license fee with interest, pursuant to which, the petitioner has made an application and the same was rejected citing rule 12(2A)(g) of the Rules. In this regard, it is relevant to extract Rule 12(2A)(g) as follows :-

“Permission granted under this sub rule shall not be renewed or extended for any reason including that the person permitted could not mine or remove the mineral for whatever



W.P.No.18770 of 2024

reason. He will not be entitled for refund of any cost or money incurred in the process. If the permitted quantity is not removed within the stipulated period the applicant will not be entitled for removal of unutilised quantity of mineral.”

7. A perusal of the above rule makes it clear that when a permission granted under the sub rule shall not be renewed or extended for any reason including that the person permitted could not mine or remove the mineral for whatever reason. He will not be entitled for refund of any cost or money incurred in the process. If the permitted quantity is not removed within the stipulated period the applicant will not be entitled for removal of unutilised quantity of mineral. In the present case, the petitioner was prevented from doing the quarrying operations. That apart, the petitioner also made an application for renewal/extension of lease period, which was not permitted by the respondent and the same was upheld by this Court upto to the level of Supreme Court.

8. Now, the issue is whether the petitioner is entitled to refund of seigniorage fee or not. In this regard, this Court perused Rule 12(2A)(g) and this Court is of the view that the said rule cited by the respondent is not applicable to the petitioner on the simple reason that the petitioner was prevented from carrying out the quarrying operations by the officials of the respondent. When



W.P.No.18770 of 2024

the authorities themselves prevent the petitioner from doing quarrying operation, the petitioner cannot be made to suffer. Further, the respondent has demanded Rs.19,87,440/- from the petitioner, which is impermissible. When the person has not even carried out the quarrying operation, the demand of said amount from the petitioner is *per se* unsustainable. Therefore, the impugned order and the subsequent demand notice issued by the respondent are liable to be quashed.

9. Accordingly, the impugned order passed by the respondent, dated 22.11.2023 and the subsequent demand notice, dated 20.11.2025 are hereby quashed. The respondent is directed to return the differential seigniorage fee to the petitioner, within a period of twelve (12) weeks from the date of receipt of a copy of this order.

10. With the above observation and directions, this Writ Petition is allowed. No costs.

24.11.2025

Index : Yes / No
Speaking order / Non-speaking order
Neutral Citation Case : Yes / No
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W.P.No.18770 of 2024

To

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The District Collector,
Tiruvallur District,
Tiruvallur.



WEB COPY



W.P.No.18770 of 2024

M.DHANDAPANI, J.

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W.P.No.18770 of 2024

24.11.2025