IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.6873 of 2025

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Arena Food and Agro Industries Private Limited a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at Village Nimi, P.S. Shekhopur, District Sheikhpura, through its director, Shreekrishan Kumar, aged about 39 (male) Son of Harangi Singh, resident of Village Nimmi, P.S. Shekhopur, District- Sheikhpura.

... ... Petitioner

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, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Additional Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
5. The District Magistrate cum Collector, Sheikhpura.
6. The Mineral Development Officer, Sheikhpura.

... ... Respondents

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with

Miscellaneous Jurisdiction Case No. 2212 of 2025
In
Civil Writ Jurisdiction Case No.6873 of 2025

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Arena Food and Agro Industries Private Limited a company incorporated under the provisions of the Companies Act, 1956, having its registered Office at Village Nimi, P.S.- Shekhopur, District Sheikhpura, through its director, Shreekrishan Kumar, aged about 39 (male) Son of Late Harangi Singh, resident of village Nimmi, P.S. Shekhopur, District- Sheikhpura.

... ... Petitioner

Versus

1. The State of Bihar through Sri. Divesh Sehara, the Principal Secretary Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. Sri Divesh Sehara, the Principal Secretary, Mines and Geology Department, Gvernment of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. Sri Bharat Bhushan Prasad, the Additional Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. Sri Vinod Duhan, the Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.

5. Sri Arif Ahsan, the District Magistrate cum Collector, Sheikhpura.
6. Sri. Mukesh Kumar, The Mineral Development Officer, Sheikhpura.

... ... Opposite Parties

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with

Civil Writ Jurisdiction Case No. 14608 of 2025

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Arena Food and Agro Industries Private Limited a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Village Nimi, P.S. Shekhopur, District Sheikhpura, through its director, Radhey Sharma aged about 51 (male) Son of Late Harangi Singh, resident of Village Nimmi, P.S. Shekhopur, District Sheikhpura.

... ... Petitioner

Versus

1. The State of Bihar through the Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
2. The Secretary cum Mines Commissioner, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
3. The Additional Secretary, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
4. The Director, Mines and Geology Department, Government of Bihar, Vikas Bhawan, Bailey Road, Patna.
5. The District Magistrate cum Collector, Sheikhpura.
6. The Mineral Development Officer, Sheikhpura.

... ... Respondents

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Appearance :

(In Civil Writ Jurisdiction Case No. 6873 of 2025)

For the Petitioner/s : Mr. Suraj Samdarshi, Advocate
Mr. Avinash Shekhar, Advocate
Mr. Vijay Shanker Tiwari, Advocate
Ms. Simran Kumari, Advocate
Ms. Abhilasha Jha, Advocate

For the State : Mr. Mahendra Pd. Verma, A.C. to S.C.-20

For the Mines Department: Mr. Naresh Dikshit, Spl. P.P.
Mr. Brij Bihari Tiwari, Advocate
Ms. Shruti Singh, Advocate
Mr. Utkarsh Pathak, Advocate

(In Miscellaneous Jurisdiction Case No. 2212 of 2025)

For the Petitioner/s : Mr. Suraj Samdarshi, Advocate
Mr. Avinash Shekhar, Advocate
Mr. Vijay Shanker Tiwari, Advocate
Ms. Simran Kumari, Advocate
Ms. Abhilasha Jha, Advocate

For the State : Mr. Mahendra Pd. Verma, A.C. to S.C.-20

For the Mines Department:	Mr. Naresh Dikshit, Spl. P.P. Mr. Brij Bihari Tiwari, Advocate Ms. Shruti Singh, Advocate Mr. Utkarsh Pathak, Advocate

(In Civil Writ Jurisdiction Case No. 14608 of 2025)

For the Petitioner/s :	Mr. Suraj Samdarshi, Advocate Mr. Avinash Shekhar, Advocate Mr. Vijay Shanker Tiwari, Advocate Ms. Simran Kumari, Advocate Ms. Abhilasha Jha, Advocate
For the State :	Mr. Swapnil Kumar Singh, A.C. to G.P.-19
For the Mines Department:	Mr. Naresh Dikshit, Spl. P.P. Mr. Brij Bihari Tiwari, Advocate Ms. Shruti Singh, Advocate Mr. Utkarsh Pathak, Advocate

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CORAM: HONOURABLE MR. JUSTICE SANDEEP KUMAR

C.A.V. JUDGMENT

Date : 19-03-2026

The writ petition viz. *C.W.J.C. No.6873 of 2025* titled ***'Arena Food & Agro Industries Private Limited thr. Director Shreekrishna Kumar vs State of Bihar & Ors.'*** was earlier disposed of by a co-ordinate Bench of this Court *vide* judgment and order dated 05.05.2025, which was challenged before the Division Bench, whereupon, the aforesaid judgment dated 05.05.2025 was set aside and the matter was remanded for fresh consideration on merits. Upon such remand, the aforesaid remanded *C.W.J.C. No.6873 of 2025*, the later filed *C.W.J.C. No. 14608 of 2025* titled ***'Arena Food & Agro Industries Private Limited thr. Director Radhey Sharma vs. State of Bihar & Ors.'***, and the connected miscellaneous jurisdiction case were heard together and are being disposed of by this common judgment.

2. The petitioner, a company incorporated under the Companies Act, 1956 engaged in mining activity in the State of Bihar, by the present writ proceedings, primarily seeks quashing of the orders passed by the respondent authorities whereby the challenge, by the petitioner, to the additional royalty demand, has been rejected and a declaration has been sought that no additional royalty is payable for the settlement period under the agreement dated 30.03.2017, on the ground that the settlement was through auction and the auction amount itself constituted royalty, and the petitioner did not exceed the permissible limit fixed under the Environmental Clearance. The petitioner has also assailed the subsequent auction notice bearing PR No.000159 (Mines) 2025-26 published on 04.04.2025 for auction of the mineral lying at the lease site. The petitioner also seeks a declaration that the rates under Schedule II of the 1972 Rules and Schedule III-A of the 2019 Rules, are applicable only for computation of royalty on excess mineral, if any, beyond the permissible limit. Consequentially, the petitioner seeks a direction permitting it to pay the remainder of the disputed additional royalty in installments and to remove the mineral lying at the mining site, together with a finding that the respondents acted arbitrarily in refusing such permission and in moving to auction the mineral, and that the failure to comply with the earlier installment arrangement, on the part of the petitioner, under Memo No.5577 dated 24.11.2023 was attributable to the respondents themselves and cannot be held against the petitioner.

3. For clarity, the prayer portion of the aforesaid two writ petitions are reproduced hereunder :-

In C.W.J.C. No. 6873 of 2025

i. *To issue an appropriate writ, order or direction in the nature of certiorari for quashing letter no. 2005 dated 02.04.2025 issued by Respondent Additional Secretary whereby petitioner's representation dated 06.02.2025 has been rejected.*

ii. *To issue an appropriate writ, order or direction in the nature of certiorari for quashing notice bearing no. PR No. 000159 (Mines) 2025 26 published in 2025 At sull Dainik Bhaskar newspaper on 04.04.2024 whereby the respondents have published a notice for auction of 32,20,180.39 CFT mineral lying at Mauja Mathokar Surdaspur, Circle Sheikhpura, P.O Sheikhpura, Khata 272, and 132 Plot 1030 (P) and 32 (P) Block 04.*

iii. *To issue an appropriate writ, order or direction to the Respondents to permit the petitioner to pay remainder of the additional royalty in installments and remove the mineral lying at the mining site.*

iv. *This Hon'ble Court may adjudicate and hold that the action of the Respondents in not permitting the petitioner to pay the remainder of the additional royalty amount and trying to auction the mineral as much less consideration is completely unjustified and arbitrary.*

v. *This Hon'ble Court may adjudicate and hold that petitioner's failure to comply with the earlier order of the Mines Commissioner contained in memo no. 5577 dated 24.11.2023 was solely attributable to the Respondents and the petitioner cannot be penalised for the same.*

vi. *To grant any other relief or reliefs which the Petitioner may be found entitled to in the facts and circumstances of the case.*

<u>In C.W.J.C. No. 14608 of 2025</u>

i. *To issue an appropriate writ order or direction in the nature of certiorari for quashing order dated 23.11.2023 contained in memo no. 5577 dated 24.11.2023 passed by the Respondent Mines Commissioner in Revision Case No. 02 / 2023 whereby and whereunder the revision application preferred by the Petitioner in light of order dated 12.10.2023 passed by this Hon'ble Court in CWJC No. 13532 of 2023 has been rejected on wholly erroneous grounds without considering the facts and circumstances of the case.*

ii. *To issue an appropriate writ, order or direction in the nature of certiorari for quashing order dated 28.03.2023 contained in memo no. 362 dated 03.04.2023 passed by the Respondent*

Collector, Sheikhpura in Appeal No. 96/2022 whereby and whereunder appeal preferred by the Petitioner under the Rule 67 of the Bihar Minerals (Concession, Prevention of Illegal Mining Transportation & Storage) 2019 Rules against letter no. 731 dated 06.07.2022 issued by the Respondent Mineral Development Officer, Sheikhpura directing the petitioner to deposit additional royalty of Rs. 6,25,34,581/-, has been dismissed on wholly erroneous consideration.

iii. *This Hon'ble Court may adjudicate and hold that the petitioner is not liable to pay any additional royalty for the settlement period in relation of agreement dated 30.03.2017 considering that fact that petitioner has not exceeded its permissible limit as fixed in the Environment Clearance.*

iv. *This Hon'ble Court may further adjudicate and hold that according to Schedule II of Bihar Minor Mineral Concession Rules, 1972, in case settlement through auction, the royalty under Rule 26 (1) (b) is the auction amount and that no additional royalty is payable in case the total quantity of mineral removed is within the capping fixed in the environment clearance.*

v. *This Hon'ble Court may further adjudicate and hold that the rates mentioned in Schedule II of 1972 Rules and Schedule III A of the 1972 can only be applied to calculate the royalty for excess mineral dispatched when a settee exceeds the permissible limit as fixed in the Environment*

Clearance.

vi. *To grant any other relief or reliefs which the Petitioner may be found entitled to in the facts and circumstances of the case."*

4. The nucleus of the present controversy is a dispute as to whether, in a stone mining lease, settled through public auction, the auction amount itself exhausts the royalty liability, or whether the respondent-authorities can still lawfully demand additional royalty on the ground that the mineral extracted and dispatched exceeded the value equivalent to the bid amount. The second and equally important limb of the controversy concerns the already excavated mineral lying at the mining site after expiry of the lease, and whether the petitioner was entitled to lift the same on payment terms, or whether, upon its failure to comply with the installment-linked arrangement, the respondents were justified in recalling the permission, seizing the stock, and proceeding to auction the same.

Brief Factual Matrix

5. The petitioner company, Arena Food & Agro Industries Pvt. Ltd., participated in an auction for grant of a stone mining lease over land situated at Mauja Mathokar Surdaspur, Circle Sheikhpura, Khata Nos. 272 and 132, Plot

Nos. 1030(P) and 32(P), Block 04, measuring about 12.50 acres. It emerged as the highest bidder at Rs. 29 crores and was granted a lease for five years from 30.03.2017 to 29.03.2022. The petitioner deposited a security of Rs. 2,90,00,000/-, obtained the necessary environment clearance from the SEIAA, Bihar and thereafter executed the lease agreement on 30.03.2017 (Annexure P-1). Under Part V of the lease arrangement, the bid amount of Rs. 29 crores were payable in five equal yearly installments of Rs. 5.80 crores each. The aforesaid lease expired on 29.03.2022. According to the petitioner, the entire amount of Rs.29 crores along with applicable interest for delayed payment were duly made.

6. It is the case of the petitioner that it had obtained the prior environment clearance from the SEIAA, Bihar on 19.12.2016 (Annexure P-3) and the proposed capacity of production, thereunder, was capped at 11,41,250 Tonnes per annum which would translate to 57,06,250 Tonnes of mineral corresponding to 14,26,56,250 CFT of minerals during the entire five-year lease period. However, according to the petitioner, it had produced only 12,02,59,361.7 CFT minerals (48,10,374 MT) and actually dispatched only 11,54,47,915.6 CFT of minerals (46,17,916.624 MT). The breakup during the five-year lease period are as under :-

period	**Total Production (CFT)**	**Total Dispatch (CFT)**
April, 2017 – December, 2017	1,97,36,440	26,89,855.25
January, 2018 – December, 2018	2,84,41,085	1,10,31,886.55
January, 2019 – December, 2019	2,78,81,836.65	2,18,85,021.95
January, 2020 – December, 2020	2,81,50,000	3,23,64,207.6
January, 2021 – December, 2021	1,34,65,000	3,18,38,094.45
January, 2022 – March, 2022	25,85,000	1,56,38,849.75
Total	12,02,59,361.7 CFT	11,54,47,915.6 CFT

7. Therefore, it is the case of the petitioner that after expiry of the lease term, there still remained about 1,92,457.376 MT of boulder/stone at the mining site.

8. After the expiry of the lease period on 29.03.2022, the respondent-authorities undertook a post-settlement assessment of the equivalent value of mineral extracted and dispatched by the petitioner during the currency of the lease and found that although the petitioner had deposited the auction/settlement amount of Rs.29 crores and had also paid Rs.1,18,23,487/- towards additional royalty, the mineral dispatched by the petitioner during the lease period had an equivalent royalty value of Rs. 36,43,58,068/, and therefore a further sum of Rs. 6,25,34,581/- remained payable as additional royalty.

9. In that background, the Mineral Development Officer, Sheikhpura issued demand letters and reminder letters calling upon the petitioner to deposit the alleged balance additional royalty over and above the auction amount. From the records, it appears that the Mineral Development Officer, Sheikhpura demanded payment of balance extra royalty of Rs.6,25,34,581/- with interest and other taxes against the petitioner drawing strength from Rule-22(3) of Bihar Minerals (Concession, Prevention of Illegal Mining, Transportation & Storage) Rules, 2019, Rule-52(4) of Bihar Minor Minerals Concession Rules, 1972 and Clause-36 of Part-VII of the executed lease deed agreement. The following letters were issued by the respondent-Mineral Development Officer, Sheikhpura demanding the payment of balance extra royalty of Rs.6,25,34,581/- with interest and other taxes against the Petitioner.

i. Letter no.489 dated 02.05.2022,
ii. Letter no.648 dated 16.06.2022,
iii. Letter no.722 dated 04.07.2022,

iv. Letter no.731 dated 06.07.2022

v. Letter no.1004 date 24.08.2022,

vi. Letter no.1007 dated 24.08.2022 and

vii. Letter no.1069 dated 01.09.2022

10. It is this demand for additional royalty raised on the ground that the petitioner had dispatched mineral exceeding the value equivalent to the auction bid amount and the remaining quantity of the boulder/ stone which forms the nucleus of the present *lis*.

11. It is the case of the petitioner that the Mineral Development Officer, Sheikhpura, *vide* his letter No. 722 dated 04.07.2022 directed the petitioner to deposit Rs. 6,25,34,581/- as additional royalty on the ground that the petitioner had dispatched mineral worth Rs.36,43,58,068/- during the settlement term, that is, till 29.03.2022 and against the aforesaid, the petitioner had only deposited Rs.30,18,23,487/- and therefore the petitioner was liable to pay an additional royalty of Rs. 6,25,34,581/-. The petitioner *vide* letter dated 05.07.2022 replied to the above demand letter, however the reply was rejected *vide* letter no. 731 dated 06.07.2022 and the petitioner was again directed to deposit the aforementioned additional royalty of Rs. 6,25,34,581/- along with Income Tax and District Mineral Foundation (DMF) amount. The petitioner thereafter preferred the remedy of statutory appeal under Rule-67 of the 2019 Rules assailing the order dated 06.07.2022 passed by the MDO, Sheikhpura before the Collector, Sheikpura in Appeal Case No. 96 of 2022, however the aforesaid appeal was dismissed vide order dated 28.03.2023 and the petitioner was directed to deposit an amount of Rs.8,67,12,590/- with the following break-up :-

Additional Royalty	Rs. 6,25,34,581/-
Interest on delayed payment of Additional royalty	Rs. 96,34,471/-
Income Tax	Rs. 15,31,777/-
DMF	Rs. 14,87,162/-
Interest on delayed payment on installment	Rs. 1,01,50,905/-
Interest on DMF	Rs. 13,73,694/-
TOTAL	Rs. 8,67,12,590/-

12. Parallelly, during the pendency of the appeal, the Senior Additional Collector-cum-Mineral Development Officer, Sheikhpura instituted Sheikhpura P.S. Case No.396 of 2022 under sections 419, 420 and 406 of the Indian Penal Code, section 4 of the Minor Mineral (Development & Regulation) Act, 1957 and Rules 11, 43 and 56 of the Bihar Mineral Rules, 2019, against the petitioner alleging non-payment of the additional royalty of Rs.6,25,34,581/- and unlawful handling / transport of stock. It was alleged by the M.D.O, Sheikhpura that the petitioner had stocked 52,07,192 CFT & 5,39,280.75 CFT minerals at its K-license site which upon inspection, carried out on 08.07.2022, the stock at the storage point were found to be NIL. Thus, it was alleged that the stock was sold of illegally.

13. Thereafter, the Director of the petitioner Company, one Radhey Sharma, was enlarged on anticipatory bail *vide* order dated 06.02.2023 passed in ***Cr. Misc. No. 53870 of 2022*****, titled *‘Radhey Sharma vs State of Bihar & Anr.’*,** by a coordinate Bench of this Court in the backdrop of the submission that the petitioner was ready to deposit Rs. 50 lakhs per month for six months, subject to the outcome of the civil proceedings. Since the petitioner later alleged that lifting of the already excavated minerals lying at the site, was not being permitted, the aforesaid order dated 06.02.2023 was modified by this Court in ***Cr. Misc. No. 24766 of 2023*** **titled *‘Radhey Sharma vs. State of Bihar & Anr.’,*** vide order dated 19.04.2023, that the deposit condition was itself contingent on permission to lift the mineral being granted by the Respondent-authorities.

14. The petitioner thereafter vide his representation dated 08.06.2023 addressed to the District Magistrate, objected to the levy of interest on non-payment of additional royalty, delayed payment of installment and interest on DMF and further offered to deposit the additional royalty under protest in six monthly installments, if permission is given to remove minerals already excavated and lying at the mining site, however the aforesaid representation was not responded to by the respondent-authorities.

15. Thereafter, in ***Cr. Misc. No. 44436 of 2023, titled 'Radhey Sharma vs. State of Bihar & Anr.',*** the said monthly deposit condition was ultimately removed *vide* order dated 19.07.2023. The aforesaid order dated 19.07.2023 reads as under :-

> *"The present modification application has been filed for modification of the order dated 06.02.2023 passed in Cr. Misc. No.53870 of 2022, as modified by order dated 19.04.2023 passed in Cr. Misc. No.24766/2023 to the extent of removing the condition of paying Rs.50 Lakhs per month for the next six months to the Mining department and also to extend the period to surrender.*
>
> *2. It is submitted by learned counsel for the petitioner that vide order dated 06.02.2023 passed in Cr. Misc. No.53870 of 2022, this Court has granted anticipatory bail to the petitioner with a condition to deposit Rs.50 Lakhs per month for the next six months in the Mines Department, which shall be subject to final outcome of the civil proceeding, where after, the same was modified vide order dated*

19.04.2023 passed in Cr. Misc. No.24766/2023 and a condition was imposed that the said amount shall also be subject to the condition that the Mines Department will permit the petitioner to remove the stock of already excavated mineral lying at the mining site.

3. Learned counsel for the petitioner submits that in compliance of the said orders, the petitioner approached the mining department and expressed his desire to pay Rs.50 Lakhs per month for the next six months and requested to open the generation of e-transit challans, so that the petitioner may lift the materials but the officials of the district mining refused to accept the aforesaid payment and also refused to permit the petitioner from lifting the materials lying at the mining site. Therefore, the petitioner, who is ready to comply the condition imposed by this Court while granting of his anticipatory bail, is not being given the permission by the Mines Department for payment of Rs.50 Lakhs after opening of e-transit challans lifting the minerals. As such, the condition of payment of Rs.50 Lakhs in the Mines Department may be removed from both the orders.

4. Learned counsel for the Mines Department has not denied this fact.

5. Considering the submission of learned counsel for the petitioner, the orders dated 06.02.2023 passed in Cr. Misc. No.53870 of 2022 and 19.04.2023 passed in Cr. Misc.

No.24766/2023 are modified to the extent that the condition of deposit of Rs.50 Lakhs per month for the next six months to the Mining Department and related conditions be deemed to be omitted.

6. Further, in the interest of justice, the period to surrender is extended by four weeks from today in connection with Sheikhpura P.S. Case No.396 of 2022, pending in the court of learned Chief Judicial Magistrate, Sheikhpura.

7. Rest order shall remain intact.

8. The order dated 06.02.2023 passed in Cr. Misc. No.53870 of 2022 and 19.04.2023 passed in Cr. Misc. No.24766/2023 are modified to the extent as indicated above. Let this order be read along with the orders aforesaid.

9. Accordingly, this modification application stands disposed of."

16. The petitioner had preferred ***C.W.J.C. No. 7134 of 2023***, titled as ***'Arena Food and Agro Industries Pvt. Ltd. thr. Director Radhey Sharma vs. State of Bihar & Ors.'*** seeking permission to remove/sell royalty-paid minerals, i.e., stone chips and dust, lying at K-Licence Nos. K-Sheikhpura/28/2022 and K-Sheikhpura/30/2022. That aforesaid writ petition was disposed of on 22.08.2023 with liberty to move the Mines Commissioner, leading to Misc. Case No. 08 of 2023. The relevant portion of the aforesaid order dated 22.08.2023 passed in C.W.J.C. No. 7134 of 2023 reads thus :-

"13. Having given anxious consideration to the submissions made on behalf of the parties, prima facie, it appears that there is apparent dispute with regard to availability of adequate mineral at site, in question. A huge variance has been shown in the report of inspection committee vis-a-vis departmental portal. That apart, the petitioner successfully able to show from the materials that the inspection of the sites, which was approximately spread in four acres, was done in a haste.

14. Further, the petitioner being aggrieved by letter no. 731 dated 06.07.2022 issued by the Mineral Development Officer, Sheikhpura preferred an appeal under Rule 67 of the 2019 Rules before the Collector, Sheikhpura, bearing Appeal Case No. 96 of 2022 challenging the demand of additional royalty of Rs.6,25,34,581/-, which also came to be dismissed vide order dated 28.03.2023 and thus he intends to assail the same before the Principal Secretary, Mines and Geology Department, Government of Bihar.

15. Though, the issue in respect to additional royalty and the present one is somewhat different, but certainly connected to each other and is obvious dispute with regard to the availability of mineral, thus, in the opinion of this Court it would be just and proper to relegate this matter also to the Principal Secretary, Mines and Geology Department.

16. The parties are also in consensus

> *with the observations made by this Court.*
>
> *17. Needless to observe that if the petitioner files application/petition in support of his claim, including the claim for removal of his stone crusher machine from the site within a period of four weeks from today, the same shall be considered and disposed of by a reasoned and speaking order preferably within a period of further eight weeks."*

17. Separately, the petitioner also filed ***C.W.J.C. No. 13532 of 2023*** titled as ***'Arena Food and Agro Industries Pvt. Ltd. thr. Director Radhey Sharma vs. State of Bihar & Ors.'*** against the appellate order passed by the Collector, Sheikhpura dated 28.03.2023 and *vide* order dated 12.10.2023. A co-ordinate Bench of this Court disposed of the aforesaid writ with a liberty to file revision and also permitted lifting of already excavated minerals subject to payment of the additional royalty of Rs.6,25,34,581 in six equal monthly installments. The relevant portion of the aforesaid order dated 12.10.2023 passed in C.W.J.C. No. 12532 of 2023 reads thus -:

> *"6. Considering the submissions made on behalf of the parties and taking note of the bonafide undertaking of the petitioner that he is ready to deposit the additional royalty amount within a period of six months, this Court deems it apt and proper to allow the petitioner to pay the amount in six equal instalments on monthly*

basis.

7. However, it is needless to observe that the permission to lift the boulder/stones shall be issued only after payment of first installment, before 10th of November, 2023. It is also made clear that within six months i.e. upto 10.04.2023 the entire payment of additional royalty of Rs.6,25,34,581/- must be made within six equal monthly installments. Failure of any installment in any month would lead to cancellation of the order, giving liberty to respondents to take appropriate action. Further, this order will not prevent the Mines Department to make any settlement with any lessee in connection with the site, in question, but during this period of six months, the site, in question, will not be handed over to the successful bidder.

8. Any payment shall be made by the petitioner is subject to the final outcome of the litigation.

9. Mr. Suraj Samdarshi, learned counsel for the petitioner further submits that the petitioner also undertakes to file revision application before the Commissioner against the order dated 28.03.2023 passed by the Collector, Sheikhpura within two weeks pursuant to the order of this Court dated 22.08.2023 passed in C.W.J.C. No. 7134 of 2023. 10. In view of the prayer made by the petitioner, in the interest of justice, as a last chance, further two weeks time is extended."

18. Acting on the liberty granted by this Court, the petitioner preferred Revision Case No.02 of 2023 (Annexure P-15) before the Mines Commissioner against the order dated 28.03.2023 passed by the Collector, Sheikhupura.

19. Earlier, the petitioner had preferred ***C.W.J.C No. 14879 of 2022***, titled as ***'Arena Food and Agro Industries Pvt. Ltd. thr. Director Radhey Sharma vs. State of Bihar & Ors.',*** seeking permission to continue mining activity for 317 days on the ground that the petitioner had been prevented from mining for various reasons. The aforesaid writ petition was disposed of *vide* order dated 02.11.2022 with a direction to the respondent-Principal Secretary, Mines and Geology Department, to decide the representation of the petitioner dated 03.09.2022, while also allowing the petitioner to raise the issue of lifting material lying at the lease area. Pursuant thereto, a supplementary representation dated 10.11.2022 (Annexure P-17) was made seeking six months' time to remove 1,92,457.376 MT of already excavated minerals lying at the site.

20. The Mines Commissioner *vide* common order dated 23.11.2023 passed in Misc. Case No. 08 of 2023 and Revision Case No.02 of 2023, communicated by Memo No. 5577 dated 24.11.2023, directed the petitioner to deposit Rs. 1,99,65,771 every month for six months and, in turn, allowed lifting of 8,01,907.03 CFT each month. It is the case of the petitioner that it deposited the first installment on 28.11.2023 and the second on 20.02.2024, but departmental delay in giving "capping" or operational permission caused serious prejudice to the petitioner. According to the petitioner, capping after the first deposit was given only on 02.01.2024, i.e., after 34 days and after the second deposit on 20.02.2024, the capping was given after lapse of 48 days on 09.04.2024.

21. The aforesaid second capping, according to the petitioner, was valid till 08.05.2024, however owing to certain technical problems in its current account, the third installment could not be deposited in time by the petitioner. The petitioner, had, however duly communicated this issue with the current account *vide* letter dated 06.05.2024. In response thereto, the Assistant Director, Department of Mines *vide* Memo No. 585 dated 29.06.2024 recalled the lifting arrangement, seized the remaining 32,07,628.14 CFT of minerals from the site, and directed removal of the machinery of the petitioner. Thereafter, the petitioner sought relaxation by representation dated 23.09.2024, requested that the time period to deposit the royalty be extended and the monthly installment be reduced to Rs. 1,00,00,000/-. The aforesaid representation seeking relaxation was rejected vide Memo No.4526 dated 24.10.2024 of the Director, Mines, and on the same day *vide* Memo No. 4525 it was directed to seize and auction the minerals lying within the lease area.

22. Being aggrieved by the aforesaid letter dated 22.10.2024 rejecting the representation for relaxation, the petitioner preferred revision *vide* Revision Case No. 05 of 2024 before the Mines Commissioner, however *vide* order dated 14.01.2025, the revision was dismissed as not maintainable against an order of the Director, though liberty was granted to make a representation before the Mines Commissioner. Acting on the aforesaid liberty, the petitioner moved the Principal Secretary by representation dated 06.02.2025 requesting extension of time to deposit the royalty. Thereafter, a reminder letter dated 28.02.2025 was also sent by the petitioner. However, it is the case of the petitioner that, instead of a fresh decision by the Principal Secretary, the Director, Mines, by letter no. 2005 dated 02.04.2025, merely informed the petitioner that its request had already been rejected earlier by letter no.4526 dated 24.10.2024. Therefore, it is the case of the petitioner that no fresh orders were passed on the representation dated 06.02.2025 preferred by the petitioner. Shortly thereafter, a fresh auction notice, PR No.000159 (Mines) 2025-26, was published in Dainik Bhaskar on 04.04.2025 for auction of 32,20,180.39 CFT lying at the site and the date for auction was scheduled as 21.05.2025.

23. The aforesaid letter dated 02.04.2025 passed by the Director Mines and the auction notice PR No. 000159 (Mines) 2025-26 were challenged by the petitioner in the first writ petition, being *C.W.J.C No. 6873 of 2025,* which upon remand by the Division Bench, is before this Court, and had prayed allowing the payment of the remaining additional royalty in installments and also permit it to remove the minerals lying at the mining site. The petitioner thereafter preferred the second writ petition, being, *C.W.J.C. No. 14608 of 2025*, pursuant to the liberty granted by the learned Single Judge *vide* judgment dated 05.05.2025 passed in *C.W.J.C. 6873 of 2025*, and challenged the very imposition of additional royalty.

Submissions of the parties

24. The main thrust of submission of the learned Counsel for the petitioner is that under Schedule-II of the Bihar Minor Mineral Concession Rules, 1972, and correspondingly under Schedule III-A of the 2019 Rules, whenever settlement is made by auction, the auction amount itself is the royalty.

Therefore, according to the petitioner, once the auction amount stood paid, the Respondent-Authorities could not have separately raised any additional royalty demand unless the petitioner had crossed the permissible quantitative ceiling as described under the Environmental Clearance issued in favour of the petitioner. Adverting to Rule 26(1)(b) of the Bihar Minor Mineral Concession Rules, 1972, the learned counsel for the petitioner has submitted that in case of settlement being made through auction, the royalty would be the auction amount and therefore once the petitioner paid the bid amount of Rs. 29 crores, the royalty liability stood discharged and the Department could not, by a later accounting exercise, raise a separate demand of additional royalty. It is argued by the learned counsel for the petitioner that since the settlement in the case was through auction and the petitioner did not exceed the permissible limit as defined under the environmental clearance, the demand for additional royalty from the petitioner is therefore *de hors* the statutory rules and accordingly illegal.

25. Learned counsel for the petitioner further submits that the petitioner had obtained the environmental clearance dated 19.12.2016 with annual production capacity of 11,41,250 tonnes, which, over five years came to 57,06,250 tonnes, i.e. about 14,26,56,250 CFT of minerals. It is emphasised by the learned counsel for the petitioner that during the entire lease period of five years the total dispatch was only 11,54,47,915.6 CFT, which admittedly remained below the aforesaid ceiling. It is, therefore, argued that there was no excess removal beyond the permissible limit, and hence no additional royalty could lawfully be levied upon the petitioner.

26. Learned counsel for the petitioner next submits that the respondents are misreading the statutory framework by treating the schedule rates as a tool to retrospectively convert the entire auction settlement into a "*per CFT royalty*" regime. It is argued by the learned counsel for the petitioner that the rates under Schedule II of the 1972 Rules and Schedule III-A of the 2019 Rules can, if at all, apply only for computation of royalty on excess mineral dispatched beyond the permissible limit fixed by the Environmental Clearance, and not for minerals dispatched within that limit, however, the Mineral Development Officer had demanded an additional royalty of Rs.6,25,34,581/- which was subsequently revised by the Collector, Sheikhpura in Appeal to Rs.8,67,12,590/- by imposing interest over delayed payment and D.M.F.

27. Learned counsel submits that the prior payment of Rs. 1,18,23,487/- towards additional royalty cannot be treated as an admission of liability. It is categorically argued that the said amount was deposited under wrong advice and under pressure of the Mineral Development Officer, and a payment made in such circumstances cannot estop the petitioner from asserting that the very demand was unsustainable in law. Therefore, according to the petitioner, that payment does not validate the demand for additional royalty nor could it amount to an acknowledgment that the demand was lawful. It is argued that the test of legality of the demand for additional royalty must be based upon the rules and the lease, and not on the basis of a coerced or mistaken payment.

28. Assailing the orders of the Collector and the Mines Commissioner, learned counsel submits that both authorities have approached the matter mechanically and have failed to consider the central legal contentions put forth by the petitioner. It is argued that the impugned orders dated 28.03.2023 and 23.11.2023 proceed merely on the assumption that any dispatch beyond bid-equivalent quantity must attract extra royalty, without examining the case that in an auction settlement the bid amount itself was royalty and that the petitioner did not exceed the environmentally permissible threshold.

29. It is next submitted by the learned counsel for the petitioner that after the expiry of the lease, the petitioner was not seeking permission to undertake any fresh mining, but only to lift already excavated stock lying at the mining site. The learned counsel draws a distinction between extracting minerals and the later act of transporting already extracted/raised mineral. The mineral already mined, purchased, processed and royalty paid upon did not amount to "mining operations," and therefore the removal of already excavated mineral stands on a different footing from fresh extraction.

30. Learned counsel next submits that the petitioner initially complied with the installment-based payment modality in pursuance of the order of the Mines Commissioner by depositing the first installment on 28.11.2023 and the second installment on 20.02.2024. However, the respondents delayed issuance of capping / operational permissions after both deposits, first by 34 days and then by 48 days. It is the submission that such delays had two consequences: *firstly*, large sums paid by the petitioner remained blocked without any corresponding ability to sell the mineral and *secondly*, the delayed capping itself undermined the viability of the installment-based lifting arrangement. Therefore, it is argued by the learned counsel for the petitioner that the later default in the third installment cannot be viewed in isolation from the conduct of the respondent-authorities themselves.

31. It is further submitted that the petitioner had specifically informed the respondents by letter dated 06.05.2024 that there were technical problems in its current account, and therefore the delayed third installment was not willful. It is argued on behalf of the petitioner that instead of dealing with that explanation and the earlier departmental delays in a fair and pragmatic manner, the respondent-authorities straightway arbitrarily recalled the lifting arrangement by Memo No. 585 dated 29.06.2024, seized the balance stock, and thereafter rejected the request for extension through Memo No. 4526 dated 24.10.2024.

32. Learned counsel also submits that once the Revision Case No. 05 of 2024 was dismissed on 14.01.2025 with liberty to make a representation, it was incumbent upon the competent authority to take a fresh decision on the representation dated 06.02.2025 preferred by the petitioner. Instead, according to the petitioner, the Director, Mines, *vide* letter no. 2005 dated 02.04.2025, merely referred back to the earlier rejection dated 24.10.2024 and did not decide the matter afresh. This, according to the learned counsel for the petitioner, it amounts to non-application of mind and failure to exercise the authority reserved by the earlier liberty.

33. Lastly, learned counsel for the petitioner submits that the proposed auction, under challenge, is itself arbitrary since the petitioner has always been willing to deposit the remainder of the disputed additional royalty amount in installments and remove the excavated mineral lying at the site. In those circumstances, the decision to auction the same mineral at a much lower reserve valuation is grossly unjustified even from the standpoint of protection of public revenue. The learned counsel for the petitioner, therefore, submits that the respondent-authorities cannot first frustrate the installment-cum-lifting arrangement by delaying capping / operational permission and then penalise the petitioner for the very failure to which the respondent themselves materially contributed.

34. Mr. Naresh Dikshit, learned Special P.P. for the Mines Department submits, at the outset, that the entire case of the petitioner is founded on a misreading of the Bihar Minor Mineral regime. According to the answering respondents, even in an auction settlement the auction amount does not foreclose liability for extra royalty where the quantity extracted and dispatched exceeds the quantity equivalent to the bid amount.

35. Adverting to Rule 52(4) of the 1972 Rules, Rule 22(3) of the 2019 Rules, and Clause 36 of Part VII of the lease deed, it is argued by the learned Special P.P. for the Mines Department that the statutory text is explicit and the *proviso* inserted into Rule 52(4) of the 1972 Rules clearly states that *"the settlee shall pay extra royalty for the quantity of stone extracted and dispatched* ***in excess of the quantity equivalent to bid amount,****"* further the second *proviso* to Rule 22(3) of the 2019 Rules repeats in substance to the same effect. It is emphasised by the learned counsel for the answering respondents that these provisions expressly provide that the settlee shall pay extra royalty for the excess quantity of stone extracted and dispatched beyond the quantity equivalent to the bid amount. It is argued that the petitioner cannot isolate the expression "auction amount is royalty" and ignore the immediately operative extra-royalty provisions.

36. Further Adverting to Rule 26(1)(b) and Rule 26(4) of the 1972 Rules and Rule 51(1)(b) and Rule 51(4) of the 2019 Rules, it is submitted by the learned counsel for the answering respondents that the mineral concession holder is bound to pay royalty for mineral won, extracted and removed at the prescribed rate and in cases where the royalty on dispatched quantity exceeds the auction amount, the extra royalty for the excess quantity of mineral extracted shall be payable.

37. It is next submitted by the answering respondents that the petitioner during the five-year lease period extracted total stone whose royalty value was Rs. 36,43,58,068/-, while the petitioner had deposited only the auction amount of Rs. 29 crores plus Rs. 1,18,23,487/- already paid towards extra royalty, totalling Rs. 30,18,23,487/-. It is, therefore, the submission of the answering respondents that the balance Rs. 6,25,34,581/- was correctly demanded as additional royalty.

38. The respondents next submit that the reliance on the Environmental Clearance (E.C.) by the petitioner is misplaced. It is argued by the learned counsel for the answering respondents that the environmental clearance and royalty accounting serve different purposes. The EC prescribes an environmental ceiling, but the royalty liability is governed by the Bihar Mineral Rules and the lease deed. Therefore, even if the petitioner remained within the environmental cap, that by itself does not discharge the statutory liability to pay extra royalty if the extracted/dispatched quantity exceeded the quantity equivalent to the bid amount.

39. Adverting to clause-36 of the lease deed executed between the petitioner and the answering respondents, it is submitted that the petitioner was bound to pay the additional royalty in case of extraction/mining stone for the excess quantity in comparison to bid amount. It is, therefore, argued that the case of the petitioner is contrary not only to the rules but also to the express covenant in the very agreement under which it operated. The answering respondents have also point out the petitioner's own conduct in paying Rs.1,18,23,487/- towards extra royalty amounts to admission.

40. It is next submitted by the learned counsel for the answering respondents that there is no provision in the rules or the lease deed allowing payment of excess royalty in instalments as a matter of right. It is categorically submitted that dispatch through e-challan and payment of excess royalty are expected to proceed parallelly. The installment-based arrangement later structured by the co-ordinate bench of this Court and the Mines Commissioner is merely an act of indulgence or concession, not as recognition of any legal entitlement in the petitioner.

41. On the question of post-expiry rights, the respondents rely on Clause 6 of Part IX of the deed, under which, the petitioner was bound to remove its setup within six months of the expiry of the settlement period. However according to the respondents, even after nearly 40 months, the petitioner had not cleared its setup from the site, which not only destroys its equity but also gives rise to apprehension of illegal mining under the pretext of clearing leftover mineral.

42. It is the next submission of the learned counsel for the answering respondents that under the installment-based lifting scheme, the petitioner admittedly deposited only the first two installments and thereafter failed to deposit the third installment in time, which, according to the petitioner, was caused on account of departmental delays, but it is submitted by the learned counsel for the answering respondents that the petitioner availed the benefit of the arrangement, lifted mineral twice, and then defaulted and it had already sold 63,270.41 MT, i.e. 98.63% of the allotted capping quantity of 64,152.56 MT, which belies the plea of the petitioner that delayed capping caused serious prejudice to the petitioner.

43. Learned counsel for the answering respondents, therefore, submits that once the petitioner defaulted the third installment, the respondent authorities were justified in recalling the lifting arrangement by Memo No. 585 dated 29.06.2024, seizing the remaining stock and rejecting the later request for extension/reduction.

44. The respondents further submit that the later communication dated 02.04.2025 is legally valid because the representation of the petitioner dated 06.02.2025 did not seek any genuinely new relief and the same request had already been rejected earlier.

45. In response to the Counter Affidavit, the petitioner has filed a rejoinder affidavit, stating therein that the respondents in their counter-affidavits have failed to address true effect of auction settlement under the Bihar and in substance, have admitted to the production and dispatch figures of the petitioner and the existence of the quantity lying at the site.

46. With regard to the certificate proceedings, it is the submission of the petitioner that if the underlying demand of additional royalty itself is illegal, the institution of certificate proceedings for recovery of that very amount is also untenable, unjustified and unsustainable.

Findings

47. I have considered the submissions of the parties and perused the materials on record.

48. At the outset, it would be gainful to refer to the relevant provisions of the Rules governing the imposition of royalty.

49. Rule 52(4) of the Bihar Minor Mineral Concession Rules, 1972, reads as under:-

> *"(4)* ***Payment of bid amount****-The bid amount shall be deposited in yearly basis in equal instalments and each instalment shall be deposited before 31st January:*
>
> ***<u>Provided that notwithstanding anything repugnant in these Rules or otherwise the settlee shall pay extra royalty for the quantity of stone extracted and dispatched in excess of the quantity equivalent to bid amount."</u>***

50. The aforesaid proviso to Rule-52(4) was added by the Bihar Minor Mineral Concession (Amendment) Rules, 2008.

51. Further, Rule 22(3) of the Bihar Minerals (Concession, Prevention of Illegal Mining, Transportation & Storage) Rules, 2019 reads as under:-

> *"(3)* ***Payment of bid amount.-****The bid amount shall*

be deposited in yearly basis in equal installments and each installment shall be deposited sixty days before the completion of one year from the date of execution of the lease during the first year followed by the same procedure in the consecutive years.

Provided that leases executed before the commencement of this rule shall continue to deposit yearly instalments before 31st January of every year.

<u>Provided further that notwithstanding repugnant in these Rules or otherwise the settlee shall pay extra royalty for the quantity of mineral extracted and dispatched in excess of the quantity equivalent to bid amount.</u>"

52. The *proviso* to Rule-52(4) of the Bihar Minor Mineral Concession Rules, 1972 and the second *proviso* to Rule-22(3) of the Bihar Mineral Rules, 2019 in express terms states that additional royalty can be imposed upon the lease holder, when the stone extracted and dispatched is in excess of the quantity equivalent to the bid amount.

53. The relevant provisions of the Rule 51 which is titled *'Rent/royalty assessment'* and falls under Chapter-XIII, 'Mining Revenue' of the Bihar Minerals (Concession, Prevention of Illegal Mining, Transportation & Storage) Rules, 2019 reads as under:-

> *"51.* ***Rent/royalty and assessment.****— 1. When a Mineral Concession is granted:-*
>
> *(a) Dead rent shall be charged at the rates specified in Schedule II;*
>
> *(b) Royalty shall be charged at the rates specified in Schedule III(A); and*
>
> *(c) Surface rent shall be charged at the rate specified by the Collector from time to time for the area occupied or used by the lessee.*
>
> ***2.*** ***<u>On and from the date of commencement of these rules, the provisions of sub-rule (1) shall also apply to the leases granted or renewed prior to the date of such commencement and subsisting on such date.</u>***
>
> *3. If the Mineral Concession Holder permits the working of more than one mineral in the same area, the Collector may charge separate dead rent in respect of each mineral. Provided that the lessee shall be liable to pay the dead rent or royalty in respect of each mineral, whichever be higher in amount.*
>
> ***4.*** ***<u>Notwithstanding anything contained in any instrument of lease the Mineral Concession Holder shall pay rent/royalty in respect of any minor mineral own, extracted and removed at</u>***

<u>the rate specified from time to time in Schedule II and III(A).</u>

5. *The State Government may, by notification in the official Gazette, amend the Schedule II, III(A) & III(B) so as to enhance or reduce the rate at which rents/royalties shall be payable in respect of any minor mineral with effect from the date of publication of the notification in the official Gazette.*

6. ***<u>The Mining Officer, after such enquiry and verification as he may deem necessary of the monthly returns furnished by the lessee in Form "I" and Annual Return in Form "J" shall assess the amount of rent/royalty payable by the Mineral Concession Holder at the end of the prescribed period.</u>***

7. ***<u>Notwithstanding anything contained in these Rules, the royalty in case of auction of the minor minerals shall be the amount of auction. In cases where the royalty on dispatched quantity exceeds the auction amount, the extra royalty for the excess quantity of mineral extracted shall also be payable.</u>***

8. *The Mineral Concession Holder shall also pay all assessments and imposition whatsoever being in the natures of public demands which shall from time to time be charged, assessed or imposed by the authority of the State Govt."*

54. From the reading of the aforementioned provisions, it is clear that the ***quantity*** of stone/mineral extracted is compared with the bid amount. Therefore, it is clear that the thrust for determining the excess is not on the quantum / amount of mineral extracted rather, the quantity equivalent to the bid amount i.e. to say the equivalent money value of the extracted minerals as compared with the bid amount.

55. Upon bare perusal of Rule- 51(7) of the Bihar Minerals Rules, 2019, it is clear that royalty in case of auction of minor minerals shall be the amount of auction itself, however, the aforesaid position is qualified, i.e. when excess quantity of mineral is extracted, extra royalty shall be payable.

56. Further, Rule 26 (1)(b) of the Bihar Minor Mineral Concession Rules, 1972 provides for charging of royalty at the rate specific in schedule-II and Rule 26(4), Bihar Minor Mineral Concession Rules, 1972 provides that the lessee shall pay rent/royalty in respect of any minor mineral won, extracted and removed at the rate specified from time to time in Schedules I and II.

57. Under Schedule- II of the Bihar Minor Mineral Concession Rules, 1972, it has been provided that, in the case of boulder, gravel, shingle, that the settlee shall pay extra royalty for the quantity of stone extracted and dispatched in excess of the quantity equivalent to bid amount.

58. Under Rule 51(1)(b) and 51(4) of the Bihar Minerals (Concession, Prevention of Illegal Mining, Transportation & Storage) Rules, 2019, it has been provided that royalty shall be charged at the rates specified in the respective schedules specified thereunder.

59. The Hon'ble Supreme Court in the case of ***S. Sundaram Pillai & Ors.*** **vs.** ***V.R. Pattabiraman & Ors.***, reported as ***(1985) 1 SCC 591*** had held as under

> *"27. The next question that arises for consideration is as to what is the scope of a proviso and what is the ambit of an Explanation either to a proviso or to any other statutory provision. We shall first take up the question of the nature, scope and extent of a proviso.* ***<u>The well-established rule of interpretation of a proviso is that a proviso may have three separate functions. Normally, a proviso is meant to be an exception to something within the main enactment or to qualify something enacted therein which but for the proviso would be</u>***

> ***<u>within the purview of the enactment. In other words, a proviso cannot be torn apart from the main enactment nor can it be used to nullify or set at naught the real object of the main enactment.</u>*** *"* (emphasis supplied)

60. Further in the case of ***J.K. Industries Ltd. & Ors.*** **vs.** ***Chief Inspector of Factories & Boilers & Ors.***, reported as ***(1996) 6 SCC 665***, the Hon'ble Supreme Court held as under -

> *"33. A proviso to a provision in a statute has several functions and while interpreting a provision of the statute, the court is required to carefully scrutinise and find out the real object of the proviso appended to that provision. It is not a proper rule of interpretation of a proviso that the enacting part or the main part of the section be construed first without reference to the proviso and if the same is found to be ambiguous only then recourse may be had to examine the proviso as has been canvassed before us.* ***<u>On the other hand, an accepted rule of interpretation is that a section and the proviso thereto must be construed as a whole, each portion throwing light, if need be, on the rest. A proviso is normally used to remove special cases from the general</u>***

> ***<u>enactment and provide for them specially.</u>***
>
> *34. A proviso qualifies the generality of the main enactment by providing an exception and taking out from the main provision, a portion, which, but for the proviso would be a part of the main provision. A proviso must, therefore, be considered in relation to the principal matter to which it stands as a proviso. A proviso should not be read as if providing something by way of* ***<u>addition</u>*** *to the main provision which is* ***<u>foreign</u>*** *to the main provision itself." (emphasis supplied)*

61. From the reading of the aforesaid provisions, it is clear that in case of extracted minerals exceeding the quantity equivalent to the bid amount / auction amount, the respondent- State can lawfully impose additional royalty upon the lease holder. In the present case, admittedly the mineral dispatched by the petitioner during the lease period had a royalty value of Rs. 36,43,58,068/- and against which, the petitioner had paid an amount of Rs.29,00,00,000/- and had also paid Rs.1,18,23,487/- towards additional royalty, totaling Rs.30,18,23,487/-. The respondent authorities, accordingly, raised demand from the petitioner to pay the additional royalty amount, which cannot be said to be *de horse* the statutory Rules.

Moreover, from perusal of the lease deed, it appears that the clause-36 of Part VII of the executed lease deed clearly states that the lessee i.e. the petitioner in this case, is bound to pay for the excess quantity in comparison to the bid amount.

62. In view of the aforesaid, the imposition of additional royalty upon the petitioner is lawful and in accordance with the provisions under *proviso* to Rule 52(4) of the Bihar Minor Mineral Concession Rule, 1972 and the second *proviso* to Rule 22(3) of the Bihar Mineral Rule, 2019.

63. However, this Court has noted the peculiar situation in the present case where the petitioner had initially duly complied with the installment-based arrangement and in pursuance thereof, he had, in fact, paid two out of six installments of Rs.1,99,65,771/- each. It is not disputed by the respondent authorities that there was indeed a considerable delay in granting capping / procedural permissions. The mere fact that the petitioner has utilized the significant fraction of the capping amount would not condone the delay caused by the respondent authorities. It is noted that the aforesaid installments were monthly installments, however, the respondent authorities granted the aforesaid permissions at a delay of almost a month itself. Further, before rescinding the installment-based arrangement neither did the respondent authorities call for a show-cause from the petitioner nor duly considered the representation filed by the petitioner before the competent authority seeking relaxation in payment of the installment and extension of time period.

64. It is also underscored that in the subsequent auction notice the respondent authorities had prescribed the reserve price as Rs.1,36,85,767/- which is, in fact, even less than the single monthly installment of Rs.1,99,65,771/- which has twice been paid by the petitioner.

65. In view of the aforesaid, having held that the imposition of additional royalty upon the petitioner was lawful and in accordance with the Rules, this Court, in the peculiar facts of this case, in the interest of justice and even financial prudence keeping in view the public revenue, deems it fit and appropriate to bring a *quietus* to the multiple litigation by passing the following directions:-

i. The respondent Mines Commissioner shall draw up a detailed calculation of the outstanding amount and the quantum of the monthly installment, after affording an opportunity of hearing to the petitioner, and thereafter pass a fresh reasoned order, within 6 weeks from today specifically mentioning the monthly installment to be paid by the petitioner and the quantum of minerals which the petitioner can lift in lieu thereof.

ii. The petitioner shall pay the aforesaid balance amount calculated by the respondent Mines Commissioner in equal monthly installments.

iii. The petitioner in lieu of payment can lift the already excavated minerals (stone chips and dust) lying at the mining site.

iv. The procedural permissions including the capping shall be granted by the respondent authorities expeditiously but not beyond one week from the day on which the payment of the respective installment is made by the petitioner. In case of delay, attributable to the respondent authorities in granting procedural permissions including capping, the due date of the next monthly payments shall accordingly be adjusted.

v. As a consequence of the above direction, the petitioner cannot conduct fresh mining on the mining site and can only lift / remove the already excavated minerals.

vi. Once the entire payment is made, the petitioner shall expeditiously remove the machines lying at the mining site in accordance with law. In case the petitioner fails to remove its machines present on the site, the respondent-authorities shall be at liberty to proceed against the petitioner in accordance with law.

vi. Failure or delay to pay any of the installment by the petitioner shall result in cancellation of the installment-based arrangement and the respondent authorities shall be at full and complete liberty to take all appropriate action / steps in accordance with law.

66. Accordingly, the impugned order dated 02.04.2025 issued by the respondent- Additional Secretary, auction notice bearing PR No.000159 (Mines) 2025-26 are quashed and set aside.

67. With the aforesaid observations and directions, these writ petitions are allowed and disposed of. Consequently, the connected M.J.C. No.2212 of 2025 is also disposed of.

(Sandeep Kumar, J)

pawan/-

AFR/NAFR	N.A.F.R.
CAV DATE	22.12.2025
Uploading Date	24.03.2026
Transmission Date	