HC-KAR

NC: 2026:KHC:61550-DB
WP No. 14647 of 2012

CNR: KAHC010033322012

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF NOVEMBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT PETITION NO. 14647 OF 2012 (GM-MM-S)

BETWEEN:

1. M/S WADI STONE MARKETING CO. (P) LTD
   BY ITS DIRECTOR
   SRI SARVAT MAHMOOD (NAVEED)
   AGED 54 YEARS
   WADI 585 225
   TALUK: CHITTAPUR
   DIST.: GULBARGA

…PETITIONER

(BY SMT. S.R. ANURADHA, SENIOR ADVOCATE A/W
MS. SABAHATH SULTANA, ADVOCATE)

Digitally signed by AMBIKA H B
Location: High Court of Karnataka

AND:

1. STATE OF KARNATAKA
   BY ITS SECRETARY
   DEPARTMENT OF COMMERCE AND INDUSTRY
   M.S. BUILDING
   BANGALORE – 560 001

2. THE DIRECTOR OF MINES AND GEOLOGY
   DEPARTMENT OF MINES AND GEOLOGY
   NO.49, KHANIJI BHAVAN
   RACE COURSE ROAD
   BANGALORE - 1

3. THE OFFICE OF DEPUTY DIRECTOR
DEPARTMENT OF MINES AND GEOLOGY
VIKAS SOUDHA, 3RD FLOOR
ROOM NO.27, GULBARGA

…RESPONDENTS

(BY SMT. NILOUFER AKBAR, AGA)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI QUASHING THE ORDER DATED 31.03.2012 BEARING NO. GA BHU/UNIGU/ML-1119/2011-12/3744, PASSED BY 3RD RESPONDENT VIDE ANNXURE-V AND ETC.

THIS PETITION, COMING ON FOR HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL ORDER

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The petitioner has filed the present petition, *inter alia,* praying as under:

> "i) Issue a writ of certiorari quashing the order dated 31.02.2012 bearing No.GA BHU/UNIGU/ML-1119/2011-12/3711 passed by the 3rd respondent at **Annexure "V".**

ii) Issue a writ of mandamus directing the respondents to consider the representation of the Petitioner pertaining to payment of royalty afresh as per the orders of this Hon'ble Court vide Annexure 'H' dated 14.10.2008.

iii) Issue a writ of mandamus directing the Respondent to decide on the conversion formula for the purposes of calculation of royalty after affording the Petitioner an opportunity of hearing."

2. The petitioner impugns a notice dated 31.03.2012 whereby the petitioner was called upon to pay an amount of ₹30,54,52,366/- (Rupees Thirty Crore Fifty Four Lakh Fifty Two Thousand Three Hundred and Sixty Six only) failing which, the recovery would be made by forfeiting movable and immovable properties as per law. Additionally, the petitioner was called upon to pay the dues of Mines Contract No.1120 and all other stone mine contracts.

3. Although the said demand is termed as a notice, it reads as an order as it calls upon the petitioner to pay the amount demanded. The demand also encloses certain reports, referred to as audit reports, setting out the further breakup of the demand. However, it also mentions that the revised audit reports will be subject to the scrutiny and approval of the Director, Department of

Mines and Geology, Bengaluru and the Auditor General, Karnataka.

4. Smt. S. R. Anuradha, learned Senior Counsel appearing for the petitioner seeks to challenge the demand on various grounds, including that the basis for raising the demand has not been specified. She states that no provision exists for demanding fixed rent or surface rent, as reflected in the details annexed with the demand. Additionally, she states that the lease in question was for a major mineral and that the petitioner's request for renewal was rejected on the ground that the mineral in question (Shahabad limestone) had been classified as a minor mineral. She contends that the petitioner has never mined any major mineral. Therefore, the royalty has to be calculated on the basis as stipulated in the Mines and Minerals (Development and Regulation) Act, 1957. Additionally, she submits that the petitioner has not been afforded an opportunity of hearing before finalising the demands. Therefore, the demand is liable to be set aside.

5. The learned Additional Government Advocate submits that the respondent shall furnish all material on the basis of which the

impugned demand is proposed within a period of two weeks. The concerned authority shall also afford the petitioner an opportunity to be heard and issue a final demand after hearing the petitioner.

6. In view of the statement made by the learned Additional Government Advocate, without going into the merits of the contentions advanced, we consider it apposite to dispose of the present petition with the following directions:

(i) The respondent shall provide the petitioner all material on the basis of which the demand is raised, if not already provided within a period of two weeks from date.

(ii) The petitioner is at liberty to file a reply to the said demand, raising all contentions that it seeks to canvass within a period of two weeks thereafter.

(iii) The concerned authority shall afford the petitioner an opportunity to be heard and pass the final order, crystallizing the demand.

7. All rights and contentions of the parties are reserved.

8. The petition is disposed of in the aforesaid terms.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

AHB
List No.: 1 Sl No.: 9