RESERVED ON 17TH SEPTEMBER 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH 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.36581 OF 2025 (GM-MM_S)

C/W

WRIT PETITION NO.34982 OF 2025 (GM-MM_S)

IN W.P. NO.36581/2025

BETWEEN:

M/S. JANAPRIYA RMC PVT. LTD.,
REPRESENTED BY ITS DIRECTOR
SRI M.M. ANANDKUMAR,
S/O M.L. NARAYANASWAMY,
AGED ABOUT 56 YEARS,
HAVING ITS OFFICE AT NO.39,
2ND MAIN ROAD, SHREYA COLONY,
JP NAGAR, 7TH PHASE, J.P. NAGAR,
KOTHNUR, BENGALURU-560 078.

…PETITIONER

(BY MS. KUSUMA R. PRASAD, ADVOCATE FOR
SRI. LAKAMAPURMATH CHIDANANDAYYA, ADVOCATE)

AND:

1. THE STATE OF KARNTAKA
REPRESENTED BY ITS SECRETARY,
COMMERCE & INDUSTRIES DEPARTMENT
(SSI, MINES & TEXTILES),
VIKASA SOUDHA, BENGALURU-560 001.

Digitally signed by MAHALAKSHMI B M
Location: High Court of Karnataka

2. THE DIRECTOR
DEPARTMENT OF MINES & GEOLOGY,
KHANIJA BHAVAN, RACE COURSE ROAD,
BENGALURU-560 001.

3. THE DEPUTY DIRECTOR
DEPARTMENT OF MINES & GEOLOGY,
SIDLAGHATTA ROAD,
CHIKKABALLAPURA-562 101.

4. P.K. ANAND
S/O. MR. P.S. KRISHNASETTY,
AGED ABOUT 54 YEARS,
RESIDING AT G/F-003,
AFFINITY HARMONY,
SILVER OAK STREET,
REMANASHREE CALIFORNIA GARDENS,
PUTTENAHALLY, YELAHANKA,
BENGALURU-560 064.

(AMENDMENT CARRIED OUT AS PER
COURT ORDER DATED 11.09.2026)

…RESPONDENTS

(BY SMT. NILOUFER AKBAR, AGA FOR R-1 TO R-3;
SRI. MAHENDRA S.S., ADVOCATE FOR IMPLEADING APPLICANT/
RESPONDENT NO.4)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO CALL FOR THE RECORDS WHICH ULTIMATELY RESULTED IN NOT EXECUTING THE LEASE DEED IN FAVOUR OF THE PETITIONER IN TERMS OF NOTIFICATION DATED 03.01.2015 BEARING NO.DMG/CMD/NOTIFICATION/26/2014-2015/4839-4842 VIDE ANNEXURE-G AND ETC.

IN W.P. NO.34982/2025

BETWEEN:

M/S. JANAPRIYA RMC,
NO.90, BASEMENT-01, 1ST MAIN,
ANJENYA TEMPLE, ASHWATH NAGAR,
RMV EXTENSION, 2ND STAGE,
BENGALURU - 560094.
REPRESENTED BY ITS PARTNER

MR. GAJENDRA BABU .R
S/O MR. RAJANNA,
AGED ABOUT 41 YEARS.

...PETITIONER

(BY SRI. MAHENDRA S.S., ADVOCATE)

AND:

1. THE STATE OF KARNATAKA,
REPRESENTED BY ITS PRINCIPAL SECRETARY (MINES),
DEPARTMENT OF COMMERCE AND INDUSTRIES,
VIKASA SOUDHA, 1ST FLOOR,
BENGALURU - 560001.

2. THE DIRECTOR,
DEPARTMENT OF MINES AND GEOLOGY,
KHANIJA BHAVAN, RACE COURSE ROAD,
BENGALURU - 560001.

3. THE DEPUTY DIRECTOR
DEPARTMENT OF MINES AND GEOLOGY,
JILLADALITHA BHAVAN,
PATTENAHALLI, SIDLAGATTA ROAD,
CHIKKABALLAPURA - 562101.

...RESPONDENTS

(BY SMT. NILOUFER AKBAR, AGA)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI QUASHING AND SETTING ASIDE THE ORDER DATED 29.08.2025 BEARING NO. DMG/DD/KQL/267/2025-26/2521 (ANNEXURE-A), ISSUED BY THE 3RD RESPONDENT AND ETC.

THESE WRIT PETITIONS HAVING BEEN HEARD AND RESERVED FOR ORDERS, COMING ON FOR PRONOUNCEMENT THIS DAY, ORDERS WAS PRONOUNCED AS UNDER:

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

C.A.V. ORDER

(PER: HON'BLE MRS. JUSTICE K.S. HEMALEKHA)

1. These two writ petitions, which were heard together, concern Quarry Lease No.267 [**QL No.267**] for building stone over an extent of 7 acres 20 guntas of Government land in Survey No.11 of Jonnalakunte Village, Chikkaballapur Taluk and District [**the subject land**].

2. The petitioner in W.P. No.34982/2025 (GM-MM-S), M/s Janapriya RMC [**the Firm**] is a partnership firm in whose favour QL No.267 was executed on 13.09.2019.

3. The petitioner in W.P. No.36581/2025 (GM-MM-S), M/s. Janapriya RMC Private Limited [**the Company**], is a company incorporated under the Companies Act, 1956. On its application dated 07.01.2014, the grant of the quarry lease over the subject land was sanctioned by a Notification dated 03.01.2015 [**the Grant Notification**].

4. The Firm has filed W.P. No.34982/2025 assailing the order dated 29.08.2025 bearing No.DMG/DD/KQL/267/2025-26/2521 passed by the Deputy Director, Department of Mines and Geology [**DMG**], Chikkaballapur, whereby QL No.267 was cancelled under

Section 19 of the Mines and Minerals (Development and Regulation) Act, 1957 [**MMDR Act**], on the ground that the lease had been executed in favour of an entity which had never applied for the grant. The Firm also seeks a declaration that the lease is valid and subsisting for a period of twenty years, restoration of its access to the Integrated Lease Management Scheme [**ILMS**] Portal, issuance of Mineral Dispatch Permits [**MDPs**] and permission to continue quarrying operations.

5. The Company, on the other hand, has filed W.P. No.36581/2025 (GM-MM-S), seeking a writ of mandamus directing the respondent authorities to execute a Quarry Lease Deed in its favour pursuant to the Grant Notification dated 03.01.2015 and the order dated 20.08.2019 passed by the Division Bench of this Court in W.P. No.23884/2019 (GM-MM-S). The State of Karnataka, the Director and the Deputy Director of DMG are common respondents in both the petitions. Sri. P. K. Anand, a Director of the Company and an erstwhile partner of the Firm has been impleaded as respondent No.4 in W.P. No.36581/2025.

6. The controversy essentially centres on the Amendment Notification dated 11.09.2019, whereby the Senior Geologist, purportedly invoking Rule 19-D of the Karnataka Minor Mineral

Concession Rules, 1994 [**KMMC Rules**], substituted the Firm in place of the Company as the beneficiary of the original sanction.

7. The principal question is whether such substitution constituted a change in the name or particulars of the original applicant or, in substance, amounted to a transfer of the benefit of the sanction in favour of a distinct entity. Although both petitions arise from the same transactions, the reliefs sought are mutually exclusive and require separate consideration.

Prefatory facts

8. The Company was incorporated on 13.09.2011 under the Companies Act, 1956. Its Articles of Association identified five first Directors, namely, Sri M. Udayababu, Sri Anjaneyulu Ediga, Sri Anand Kumar M., Sri Ananda Palyam Krishnasetty (Sri P. K. Anand) and Sri Ziegen Balg Mathew. Sri M. Udayababu and Sri Anand Kumar M. are the sons of Sri M.L. Narayana Swamy.

9. On 07.01.2014, the Company submitted an application in Form AQL bearing Application No.03/2013-14 to the Senior Geologist, DMG, Chikkaballapur, seeking a grant of quarrying lease for building stone for a period of 10 years over an extent of 15 acres in Survey No.11 of Jonnalakunte Village, Chikkaballapur

Taluk. A spot inspection was conducted on 04.06.2014. The Assistant Commissioner, Chikkaballapur Sub-Division, by communication dated 18.06.2014, reported that the land was classified as “Government Hill”, measuring 220.25 acres in all, that the applied area contained boulders and stones, was not reserved for any public purpose and conveyed no objection to the proposed grant. The Forest Department also reported that the area was not forest land.

10. Pursuant to the decision taken by the District Task Force Committee at its meeting held on 21.11.2014, the Senior Geologist issued the Grant Notification dated 03.01.2015 under Rule 27 of the KMMC Rules, sanctioning a quarry lease for building stone in favour of the Company over an extent of 7 acres 20 guntas for a period of ten years. The Grant Notification stipulated, *inter alia*, that quarrying operations could not commence merely on the strength of the Grant Notification and could be undertaken only after execution of the lease deed in Form E. It further required the execution of a formal lease deed within the prescribed period and compliance with the applicable environmental clearance requirements.

11. By order dated 21.08.2015, the Senior Geologist cancelled the Grant Notification and rejected the application on the ground that the lease deed had not been executed within the prescribed period. The Company, represented by Sri M. Udayababu, preferred Revision Petition No.212/2015 under Rule 53(1) of the KMMC Rules before the Joint Director, DMG, South Zone, Mysore. The Company explained that the delay in execution of the lease deed was attributable to the non-receipt of environmental clearance. The Revisional Authority allowed the revision petition, set aside the cancellation order and directed the competent officer to take steps for the grant of the quarrying lease after collecting the arrears, if any, subject to the Company obtaining environmental clearance. Subsequently, on 20.03.2019, a Partnership Deed was executed constituting 'M/s. Janapriya RMC', the Firm, purportedly by five Directors of the Company. Under the deed, each partner was allotted 20% of the capital of ₹5,00,000/-. The business of the Firm was stated to be the manufacture of jelly of different sizes and allied products. Its office was at No.93, M.L. Narayanaswamy Nilaya, Annapurneshwari Layout, J.P. Nagar, Chunchugatta, Bangalore, which was also the registered office of the Company. The Company disputes that Sri Anand Kumar M. was ever a

partner of the Firm and alleges that the partnership deeds are fabricated.

12. On 12.04.2019, a letter on the letterhead of the Company, signed by Sri M. Udayababu, was addressed to the Senior Geologist, DMG, Chikkaballapur, requesting that the lease be registered in the name of the Firm instead of the Company. The reason assigned was the requirement to obtain GST registration, and the request was stated to be based on the advice allegedly furnished by the Company's auditor and GST officials. The communication asserted that the name of the Company, as notified, had been changed to that of the Firm and invoked Rule 19-D of the KMMC Rules. The departmental records, however, do not disclose any resolution of the Board of Directors authorizing Sri. M. Udayababu to seek substitution of the Firm in place of the Company.

13. On 20.04.2019, the State Level Environment Impact Assessment Authority, Karnataka issued the environmental clearance bearing No.SEIAA 17 MIN 2019 for quarrying building stone over the subject land. The clearance was addressed to ‘M/s. Janapriya RMC at Survey No.42/8, Minukunte Village, Jala Hobli, Yalahanka, Bengaluru’, which was the address of the Company.

Significantly, the online application for environment clearance was submitted on 13.01.2019, prior to the constitution of the Firm on 20.03.2019.

14. On 06.06.2019, the Company represented by Sri M. Udayababu as its Director instituted W.P. No.23884/2019 (GM-MM-S) before this Court seeking a direction to execute the quarry lease deed pursuant to the Grant Notification. During the pendency of the said petition, the Firm was reconstituted under the Reconstitution Partnership Deed dated 20.06.2019. Four of the original members, namely, Sri P. K. Anand, Sri Ziegen Balg Mathew,Sri Anand Kumar M. and Sri Anjaneyulu Ediga, retired from the Firm. Sri R. Gajendra Babu and Sri B. Muninarayana were inducted as incoming partners, while Sri M. Udayababu continued as a partner. Under the reconstituted partnership, Sri R. Gajendra Babu held 50% interest, Sri. B. Muninarayana held 45% interest and Sri M. Udayababu retained 5% interest.

15. Thus, prior to execution of QL No.267, 95% of the partnership interest had come to vest in persons who were neither Directors of the Company nor Partners of the Firm when the communication dated 12.04.2019 was submitted. The Firm was registered with the Registrar of Firms, Jayanagar, on 15.07.2019.

16. By order dated 20.08.2019 in W.P. No.23884/2019 (GM-MM-S), the Division Bench of this Court held that the order of the Revisional Authority setting aside the cancellation had the effect of reviving the Grant Notification dated 03.01.2015. The Division Bench also rejected the State's contention founded on Rule 8-B of the KMMC Rules, as amended with effect from 12.08.2016, holding that the Company's application dated 07.01.2014 was not pending on the date of the amendment, as it had already been disposed of by issuance of the Grant Notification.

17. Since environmental clearance had been obtained, the Division Bench directed the third respondent therein, namely, the Senior Geologist, DMG, Chikkaballapur, to execute the lease deed in favour of the petitioner therein namely, the Company, within two months from the date on which a copy of the order became available, subject to the verification of compliance with all procedural requirements in accordance with law. The order did not refer to the Firm or to the communication dated 12.04.2019.

18. On 11.09.2019, the Senior Geologist issued an Amendment Notification bearing No.DMG:SGC/QL/2019-20/2711-2714 in Form-GL. Referring to the amendment of the KMMC Rules with effect from 12.08.2016, the communication dated 12.04.2019 and the

order of the Division Bench dated 20.08.2019, the notification extended the proposed period of quarry lease from ten years to twenty years under sub-rule (1) of Rule 8-A.

19. It further purported to substitute M/s. Janapriya RMC in place of M/s. Janapriya RMC Private Limited by invoking Rule 19-D of the KMMC Rules. The Amendment Notification required execution of the lease deed within three months.

20. The departmental note-sheet particularly paragraph Nos.56 to 65, records that the communication dated 12.04.2019 was considered under Rule 19-D and that the Amendment Notification was prepared by changing the name of grantee from 'M/s. Janapriya RMC Private Limited' to 'M/s. Janapriya RMC'. It also refers to a communication dated 09.09.2019 authorizing Sri. R. Gajendra Babu to execute the lease deed. The note sheet does not disclose consideration of the reconstitution of the Firm under the reconstitution of Partnership Deed dated 20.06.2019.

21. On 12.09.2019, Sri. R. Gajendra Babu, describing himself as 'authorized partner' of the Firm, furnished copies of the Deed of Reconstitution and certificate of registration and requested execution of lease deed. On the following day, namely, 13.09.2019,

QL No.267 was executed in Form-E in favour of the Firm represented by its Managing Partner, Sri. R. Gajendra Babu for a period of 20 years commencing from 13.09.2019. The lease deed was registered as Document No.3087/2019-20.

22. In November 2019, the Firm instituted O.S. No.341/2019 before the Civil Court at Chikkaballapur against Sri P. K. Anand, Sri Ziegen Balg Mathew, Sri Ashwatha B. and Sri Anand C.M.and obtained an *ad interim* order of injunction dated 16.11.2019 restraining interference with the lease area. Subsequently, affidavits addressed to the Senior Geologist were sworn by Sri Anand Kumar M. and Sri Anjaneyulu Ediga on 26.11.2019 and by Sri M. Udayababu on 21.11.2019, affirming the constitution and reconstitution of the Firm, the retirement of outgoing partners and the interest of the continuing partners in QL No.267. However, all these affidavits were executed after the issuance of the Amendment Notification and execution of the lease deed. The Company disputes the genuineness of the affidavit attributed to Sri. Anand Kumar M.

23. It is also relevant to note that the GST registration of the Company was cancelled *suo motu* with effect from 28.10.2019. The records further indicate that the last annual general meeting of the

Company was held on 28.09.2017 and Sri. M. Udayababu died on 29.03.2022. Nevertheless, the status of the Company continues to be shown as ‘Active’, in the records of the Registrar of Companies.

24. On 17.02.2024, the Company, through Sri Anand Kumar M. as its Director submitted a representation to the respondent authorities contending that the Firm was a different entity which had never applied for grant of the quarry lease and that the Amendment Notification had been issued without notice to the Company. It sought cancellation of the Amendment Notification and QL No.267 and execution of the lease deed in its own favour.

25. By communication dated 17.05.2024, the Deputy Director sought the opinion of the Director, DMG. The Office of the Director, by Memorandum dated 18.02.2025, expressed the view that a mere change of name could be considered under Rule 19-D of the KMMC Rules, whereas the change in constitution of the business organisation and reconstitution of the Firm amounted to a transfer under sub-rule (5) of Rule 19-A of the KMMC Rules. It was observed that such a transfer was not permissible at the stage of the Grant Notification, and the competent authority was directed to take action in accordance with the Rules.

26. By order dated 04.04.2025, the Deputy Director cancelled QL No.267 without issuing notice to the Firm. Aggrieved thereby the Firm preferred W.P. No.12382/2025 (GM-MM-S). By order dated 15.05.2025, this Court set aside the cancellation order on the ground that the Firm had not been afforded an opportunity of hearing and directed reconsideration of the matter after issuance of a show-cause notice and hearing the affected party.

27. Pursuant thereto, the Deputy Director issued a show-cause notice dated 06.06.2025 to the Firm, stating that the quarry lease had been executed in favour of an entity other than the original applicant and that such substitution amounted to an impermissible transfer at the stage of the Grant Notification. Referring to Section 19 of the MMDR Act, the Firm was called upon to show cause as to why QL No.267 should not be cancelled.

28. During the pendency of the proceedings before the Deputy Director, the Firm instituted W.P. No.18830/2025 (GM-MM-S) seeking restoration of QL No.267 in the ILMS and issuance of MDPs. By order dated 25.07.2025, this Court declined to entertain the writ petition at that stage, directed the Firm to submit its explanation to the show-cause notice and directed the authority to pass appropriate orders after hearing it, clarifying that nothing

stated therein would be construed as an expression of opinion on the merits.

29. Pursuant to an enquiry notice dated 01.08.2025, Sri. R. Gajendra Babu appeared on behalf of the Firm on 07.08.2025 and submitted a written explanation. The Firm contended that the substitution had been intimated prior to the execution of the lease deed and was permissible under Rule 19-D; that Rule 19-A governed the transfer of an executed lease and was, therefore, inapplicable; and that Sri Anand Kumar M., having affirmed the reconstitution of the Firm by affidavit dated 26.11.2019, was estopped from disputing the lease.

30. Upon consideration of the explanation, the Deputy Director passed the impugned order dated 29.08.2025, cancelling QL No.267. The authority concluded that the Firm was not the original applicant, that the Company had continued to exist under its original name and that substitution of the Firm in place of the Company could not be treated as a change of name under Rule 19-D of the KMMC Rules. It consequently held that execution of lease deed in favour of the Firm was contrary to the KMMC Rules and attracted Section 19 of the MMDR Act.

31. Thereafter on 12.11.2025, the Company, through Sri Anand Kumar M., submitted a representation seeking execution of the lease deed in its favour pursuant to the Grant Notification and the order dated 20.08.2019 passed by the Division Bench in W.P. No.23884/2019 (GM-MM-S). The Firm instituted W.P. No.34982/2025 challenging the cancellation of QL No.267 and the Company instituted W.P. No.36581/2025 seeking execution of the lease deed in its favour.

32. During the pendency of W.P. No.36581/2025, Sri. P. K. Anand sought impleadment contending that the Company was defunct and that the Board authorisation relied upon by Sri Anand Kumar M. for instituting the writ petition was not genuine. The Company disputed these allegations and maintained that the resolution dated 10.10.2023 had been duly executed and that P. K. Anand had subsequently aligned himself with the Firm. By order dated 11.09.2026, Sri P. K. Anand was impleaded as respondent No.4.

Impugned order dated 29.08.2025

33. The Deputy Director, while passing the impugned order considered the history of the grant, the complaint submitted by the

Company, the Memorandum dated 18.02.2025 issued by the Office of the Director, the earlier orders of this Court and explanation furnished by the Firm. The Deputy Director recorded that the original application had been submitted by the Company, whereas the quarry lease deed had been executed in favour of the Firm, which had not filed any application for the grant of the lease. The Deputy Director further observed that Rule 19-D contemplated changes in the name, nationality or other particulars of the original applicant or concession holder. Since the Company continued to exist under its original name and the Firm was a separately constituted partnership, the substitution could not be regarded as a mere change of name. The Deputy Director accordingly concluded that the Amendment Notification dated 11.09.2019 and consequential execution of QL No.267 in favour of the Firm were contrary to the KMMC Rules. Invoking Section 19 of the MMDR Act, the Deputy Director cancelled QL No.267 with immediate effect.

Contention of parties

34. The learned counsel appearing for the Firm, the petitioner in W.P. No.34982/2025, submitted that the impugned order was without jurisdiction and contrary to the KMMC Rules. It was

contended that the request for substitution of the Firm in place of the Company had been made on 12.04.2019, before execution of the lease deed and was permissible under Rule 19-D. According to the Firm, Rule 19-A regulates transfer of an existing quarry lease and does not apply to the stage preceding its execution. Reliance was placed on the **State of Rajasthan and Another Vs. UltraTech Cement Limited[1],** and **M/s. Srinivasa Granites Vs. The State of Karnataka and others[2]**.

35. It was further contended that Rule 19-A (5) of the KMMC Rules, which expressly treats a change in the partners of a partnership firm as a transfer, was substituted only with effect from 30.06.2020 and could not be retrospectively applied to the Amendment Notification and the lease deed executed in September 2019. Reliance was placed on **Federation of Indian Mineral Industries and others Vs. Union of India and another[3]**.

36. Learned counsel further submitted that, once the lease deed had been executed and registered, the competent authority became functus officio and could not review its own decision in the absence of any express statutory power. Reliance was placed on

[1] Division Bench Special Appeal (Writ) No.987/2021 in S.B. Civil Writ Petition No.356/2017 D.D. 31.01.2023
[2] W.P. No.48547/2016 (GM-MM-S) D.D. 05.07.2019
[3] (2017) 16 SCC 186

Patel Narshi Thakershi and others Vs. Shri Pradyumansinghji Arjunsinghji[4] and **Kalabharati Advertising Vs. Hemant Vimalnath Narichania and others**[5].

37. It was also contended that the impugned order was passed at the dictation of the Director, without independent application of mind. The remedy of revision under Rule 53 was stated to be inefficacious in these circumstances. The learned counsel also contended that the State had accepted dead rent and royalty from the Firm for more than five years and was therefore, precluded from cancelling the lease by principles of estoppel and legitimate expectation. It was further submitted that Sri Anand Kumar M., who had allegedly retired from the Firm and acknowledged its reconstitution through an affidavit dated 26.11.2019, could not subsequently dispute the validity of the lease.

38. Learned counsel appearing for respondent No.4 in W.P. No.36581/2025, contended that the Company had become defunct and that the writ petition had been instituted without valid authorization. The genuineness of the Board resolution relied upon by Sri Anand Kumar M. was disputed. It was further submitted that Sri Anand Kumar M. had relinquished his interest in the Firm and

[4] (1971) 3 SCC 844
[5] (2010) 9 SCC 437

after receiving his share, furnished consent for grant of lease in favour of the Firm.

39. *Per contra,* learned counsel appearing for the Company, the petitioner in W.P. No.36581/2025 submitted that the original application dated 07.01.2014 and the Grant Notification dated 03.01.2015 stood exclusively in the name of the Company. The Division Bench by order dated 20.08.2019 in W.P. No.23884/2019 (GM-MM-S) had specifically directed the execution of the lease deed in favour of the Company. It was contended that the KMMC Rules did not authorise transfer of the benefit of a Grant Notification to a third party and that Rule 19-D of the KMMC Rules could not be invoked for substituting a distinct entity in place of the original applicant.

40. Learned counsel further submitted that communication dated 12.04.2019 was addressed by Sri. M. Udayababu without authorization from the Board of Directors and that the Amendment Notification had been issued without notice to the Company. It was alleged that the Firm had obtained the lease through misrepresentation and collusion with the then Senior Geologist. The Company also disputed the genuineness of the partnership deeds and affidavits attributed to Sri Anand Kumar M. It was further

contended that upon cancellation of QL No.267, the respondent authorities are bound to execute the lease deed in favour of the Company in compliance with the order of the Division Bench dated 20.08.2019. The Company maintained that it continued to exist as a corporate entity and the objection raised by respondent No.4 concerning its internal management could not defeat its rights under the original sanction.

41. Learned Additional Government Advocate supported the impugned order dated 29.08.2025. It was submitted that the Firm was never the original applicant and that Rule 19-D did not permit substitution of the Company by a distinct partnership firm. The Amendment Notification dated 11.09.2019 and consequential lease deed were therefore contrary to the KMMC Rules. It was contended that the lease was liable to be treated as void under Section 19 of the MMDR Act.

Issues for consideration

42. In the light of the rival submissions, the following questions arise for consideration:

> "1. Whether the substitution of M/s. Janapriya RMC, a partnership Firm, in place of M/s. Janapriya RMC Private Limited, the original applicant and beneficiary

of the Grant Notification dated 03.01.2015, amounts to a change of name under Rule 19-D of the KMMC Rules or constitutes a transfer of the benefit of the grant to a distinct entity?

2. Whether the Amendment Notification dated 11.09.2019 and consequential execution of QL No.267 dated 13.09.2019 in favour of the Firm are legally sustainable and whether the Deputy Director was justified in cancelling the lease by order dated 29.08.2025?

3. Whether the Company is entitled to a writ of mandamus directing execution of the quarry lease deed in its favour pursuant to the Grant Notification dated 03.01.2015 and the Division Bench order dated 20.08.2019?"

Reasons and Conclusion

43. The principal contention advanced on behalf of the Firm is that Rules 19-D and 19-A of the KMMC Rules operate in mutually exclusive fields and that, prior to the execution of the quarry lease deed, no subsisting leasehold interest existed that could be transferred.

44. In support of the said contention, reliance is placed upon the decision of the Division Bench of the Rajasthan High Court in **UltraTech Cement Limited** (*supra*). It is therefore necessary to examine whether the absence of an existing leasehold interest would authorize substitution of an altogether different entity in place of the original applicant under Rule 19-D.

45. There can be no dispute with the proposition that a Grant Notification or a letter of intent does not, by itself, create an executed leasehold interest. The statutory provisions governing transfer of an existing quarry lease may, therefore, stand on a different footing from those governing the grant of a quarry lease. However, the absence of an executed leasehold interest does not confer any right upon the original applicant to transfer the benefit of the Grant Notification to another entity, nor does it authorize the competent authority to substitute a different applicant without statutory sanction.

46. Rule 19-D of KMMC Rules reads as under:

> "**19-D. Change of name, nationality, etc. to be intimated**.-(1) An applicant or the holder of a minor mineral concession shall intimate to the Competent Authority within sixty days any change that may take place in his name, nationality or other particulars furnished to the Competent Authority.
>
> (2) If the holder of a minor mineral concession fails without sufficient cause to furnish the information referred to in sub-rule (1) the Competent Authority may impose a fine which may extend to such amount as notified by the Government from time to time and in the case of continued contravention of the provisions of sub-rule (1), the Competent Authority may terminate the minor mineral concession:
>
> Provided that no such order shall be made without giving the concession holder a reasonable opportunity of stating his case."

47. Sub-rule (1) of Rule 19-D requires an applicant or the holder of a minor mineral concession to intimate to the competent authority, within 60 days, any change in its name, nationality or other particulars furnished to the authority. The language of the provision is significant. It refers to changes in particulars of the applicant or concession holder and not to substitution of the applicant or concession holder itself. The provision presupposes the continued identity of the person or entity whose particulars are sought to be altered.

48. The submission that the expression 'other particulars', by applying the principles of *ejusdem generis*, includes the conversion of a private limited company into a partnership firm cannot be accepted. The principles of statutory interpretation cannot be invoked to enlarge the scope of the provision beyond its language and purpose. The expression 'other particulars' must be understood in the context of the particulars furnished by the same applicant. It cannot be interpreted as authorizing substitution of a different entity in place of the original applicant.

49. In the present case, M/s. Janapriya RMC Private Limited, the original applicant did not undergo a mere change of name. The Company continued to exist under its original corporate identity.

M/s. Janapriya RMC, on the other hand, was constituted as a partnership firm only on 20.03.2019 long after the application dated 07.01.2014 and the Grant Notification dated 03.01.2015. The two entities are distinct. The constitution of a partnership firm by the persons who were directors of the Company cannot be equated with the change in the Company's name or particulars.

50. The distinction becomes more apparent from the subsequent reconstitution of the Firm on 20.06.2019, whereby four of its original partners retired and two new partners were inducted. The incoming partners together acquired 95% interest in the Firm. Thus, the entity in whose favour the lease deed was ultimately executed was not only distinct from the Company but had also undergone a substantial change in its own constitution before execution of the lease deed.

51. The contention that there was nothing capable of being transferred before execution of the lease deed proceeds on an incomplete premise. Although no leasehold interest had been created by an executed lease deed, the original Grant Notification had been issued in favour of the identified applicant, namely, the Company. The benefit of the sanction, subject to compliance with the statutory requirements, could not be conferred upon another

entity merely by describing the transaction as a change of name. The absence of an existing leasehold interest does not dispense with the requirement that the lease be executed in favour of the applicant lawfully entitled to the grant.

52. The decision in **UltraTech Cement Limited** (*supra*) is distinguishable on material facts. The case concerned the effect of Court-approved schemes of demerger and amalgamation, pursuant to which the assets and liabilities of the original applicant company had been vested in its successor by operation of law. The authorities had also recognised the corporate restructuring and continued to extend the letter of intent. The present case does not concern statutory vesting of the rights of one company in its successor pursuant to the scheme of amalgamation or demerger. The Company continues to exist independently while the Firm was separately constituted. The principle recognised in **UltraTech Cement Limited** (*supra*) cannot therefore be extended to hold that Rule 19-D of the KMMC Rules authorizes substitution of a partnership firm in place of an existing company.

53. The reliance placed on **M/s. Srinivasa Granites** (*supra*) is also misplaced. In that case, the original applicant and lessee was a partnership firm and the question concerned the effect of its

subsequent reconstitution. The Court held on the facts of that case that reconstitution did not amount to transfer of the quarry lease to another person. In the present case, however, the original applicant was a private limited company, whereas the lease deed was executed in favour of a separately constituted partnership firm. The controversy is therefore not confined to the reconstitution of the original applicant or lessee but concerns substitution of the original applicant itself.

54. The contention founded on the subsequent amendment to sub-rule (5) of Rule 19-A of the KMMC Rules also requires consideration. The provision expressly reads as under:

> "**19-A. Transfer of quarry lease or licence.–** (1) x x x
>
> (5) The following cases shall also be treated as transfer.–
>
> (i) change from one form of business organisation to another form of business organisation i.e., partnership, limited liability partnership, private limited company, public limited company or any law to another form of business organisation;
>
> (ii) change in partner of a partnership firm;
>
> (iii) the transfer of shares in a company, resulting in the change of control of management or ownership right of the said company;
>
> (iv) merger or amalgamation of the lessee's or licensee's company into another company; and

> (v) change of a private limited company to limited company:
>
> Provided that in case of death of any partner or director in a firm or company and mutation has been made in favour of his legal heir, it shall not be treated as transfer but if application of mutation is not made, it shall be treated as transfer."
>
> *(emphasis supplied)*

55. The provision expressly treating a change from one form of business organisation to another, or a change in the partner of a partnership firm, as a transfer was introduced in its present form with effect from 30.06.2020.

56. In **Federation of Indian Mineral Industries** (*supra*) the Supreme Court explained the principle governing retrospective operation of subordinate legislation, including that the delegated legislation cannot ordinarily be given retrospective effect unless authorized by the parent statute, expressly or by necessary implication. The said proposition is not in dispute.

57. The question, therefore, is not whether the reconstitution of the Firm constituted a transfer within the meaning of Rule 19-A (5), as subsequently amended, but whether the Competent Authority possessed the power under Rule 19-D to substitute the Firm in place of the Company. For the reasons already recorded, Rule 19-

D did not confer any such power. Consequently, the Amendment Notification dated 11.09.2019 was issued without authority under the said provision.

58. The submission that QL No.267 was executed for the first time directly in favour of the Firm on 13.09.2019, does not cure the defect. The original application and the Grant Notification were in favour of the Company. Execution of the lease deed in favour of a different entity without lawful basis for substituting the original applicant cannot be validated merely because no earlier lease deed had been executed.

59. We are therefore of the considered view that the transaction was not a mere change of name or particulars within the meaning of Rule 19-D of the KMMC Rules. It amounted, in substance, to an attempted transfer of the benefit of the Grant Notification from the Company to the Firm, for which Rule 19-D furnished no authority. The contentions advanced on behalf of the Firm regarding the mutually exclusive operation of Rules 19-D and 19-A of the KMMC Rules, the absence of an existing leasehold interest and the prospective operation of the subsequent amendments do not establish the legality of the substitution.

60. The Amendment Notification dated 11.09.2019 was thus founded on an erroneous understanding of Rule 19-D. The competent authority treated the substitution of a distinct partnership firm in place of the original applicant, namely, the Company as a mere change of name. Such an interpretation is contrary to the scope and object of the provision. The consequential execution of QL No.267 in favour of the Firm was, therefore, not in accordance with the statutory framework governing grant of quarry lease.

61. In view of the foregoing reasons, the finding recorded by the Deputy Director that the Firm was not the original applicant and that its substitution under Rule 19-D was impermissible is legally sustainable. Further, the cancellation of the quarry lease executed in favour of the Firm also does not automatically establish the Company's present entitlement to an unconditional direction for execution of the lease deed. The validity of the lease executed in favour of the Firm and the Company's claim for enforcement of the original sanction are distinct questions. The former falls to be determined with reference to the statutory provisions governing substitution, whereas the latter requires consideration of the Company's present entitlement in compliance with the conditions governing the execution of the lease deed.

62. In the circumstances, no ground is made out for issuing a fresh writ of mandamus in favour of the Company in the present proceedings. Accordingly, both the writ petitions are liable to be dismissed and are, accordingly, dismissed.

63. The pending interlocutory application also stands disposed of.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

MBM