



2026:DHC:1700



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**+ **W.P.(C) 18422/2025 and CM APPL. 76281/2025**Date of Decision: **20.02.2026****IN THE MATTER OF:****SHREE CEMENT LIMITED**

.....Petitioner

Through: Mr. Satvinder Singh with Mr. Yash Chopra, Mr. Gagandeep Singh & Mr. Piyush Singh, Advocates.

versus

**UNION OF INDIA MINISTRY OF COAL THROUGH ITS
SECRETARY & ORS.**

.....Respondents

Through: Mr. Sandeep Kumar Mahapatra, CGSC with Ms. Mrinmayee Sahu, Mr. Tribhuvan, Mr. Abhimanyu and Ms. Anushka Sarraf, Advs. for R1 and R2.

Mr. Jayant Mehta, Sr. Advocate with Mr. Rohan Talwar, Ms. Sanjivani Pattjoshi, Mr. Nilay Gupta & Mr. Uday Aditya Jetley Pocha, Advocates for R3.

CORAM:**HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****JUDGEMENT****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

1. The present writ petition arises out of a dispute concerning the Datima Coal Mine, situated in District Surajpur, Chhattisgarh. The said mine was

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originally allotted to M/s. Binani Cement Limited (“**Binani Cement**” or “**the Prior Allottee**”). Pursuant to the judgment of the Supreme Court in *Manohar Lal Sharma & Ors. v. The Principal Secretary & Ors.*¹, the allotment of the Datima Coal Mine, along with a large number of other coal block allocations made by the Central Government between 1993 and 2011 through non-competitive, Screening Committee-based routes, was declared arbitrary, illegal, and violative of Article 14 of the Constitution, and accordingly, was cancelled. It is pertinent to note that in the subsequent order dated 24.09.2014, the Supreme Court gave effect to such cancellations and imposed compensatory levies, paving the way for fresh auction of the cancelled coal blocks through the Coal Mines (Special Provisions) Act, 2015 (“**the Act**”).

2. Respondent No. 3, M/s. UltraTech Cement Limited (“**UltraTech**”), claims to have stepped into the shoes of M/s. Binani Cement Limited as the Prior Allottee by virtue of its status as the Successful Resolution Applicant under the Insolvency and Bankruptcy Code, 2016 (“**IBC**”). The NCLAT had approved UltraTech’s resolution plan for the acquisition of Binani Cement, a decision subsequently upheld by the Supreme Court *vide* its order dated 19.11.2018. Upon implementation of the approved resolution plan, Binani Cement Limited stood effectively merged with and succeeded by Ultra Tech, and accordingly, the latter claims all rights, entitlements, and interest that Binani Cement held as the Prior Allottee in relation to the Datima Coal Mine.

3. The Petitioner, M/s. Shree Cement Limited (“**the Petitioner**” or “**SCL**”), is mainly aggrieved by the order dated 16.10.2025 passed by the

¹ (2014) 9 SCC 614



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Nominated Authority (“NA”). The Petitioner submits that upon cancellation of the allotment of the Datima Coal Mine and the consequent re-allocation process under the Act, the Petitioner emerged as the Successful Allottee of the said mine through a tender process pursuant to Tender Document dated 15.11.2022. In terms of Section 16 of the Act read with Clause 3.3.2(h) of the aforesaid Tender Document, the Petitioner claims to have deposited a total sum of ₹11,88,63,316.32/- with the NA, comprising: (i) a fixed amount of ₹11,81,21,568.32/- representing the Geological Report (“GR”) cost payable in terms of the Act; and (ii) a sum of ₹7,41,748/- towards Central Mine Planning and Design Institute Limited (“CMPDIL”) expenses.

4. The Petitioner further submits that the claim raised by Ultra Tech over the aforesaid fixed amount was rejected by the NA *vide* order dated 22.07.2025. In that order, the NA, upon consideration of the entire factual matrix including the failure of the Prior Allottee to produce any documents establishing its entitlement to compensation, determined that the valuation of compensation under Section 16 of the Act for Geological Report cost, Cost of Consents, Land value, and Mine Infrastructure stood at NIL, and accordingly directed that the fixed amount of ₹11,81,21,568.32/- shall remain deposited with the Government of India in the absence of any legally established claim from the Prior Allottee pertaining to the Datima Coal Mine.

5. The Petitioner further submits that thereafter, without having recourse to the procedure prescribed under Section 27 of the Act, the NA, on the basis of an application moved by Ultra Tech, proceeded to recall and modify the order dated 22.07.2025, and by the impugned order dated 16.10.2025, directed that the fixed amount of ₹11,81,21,568.32/- be released in favour of

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Ultra Tech. The Petitioner's principal grievance is that this direction was issued without any notice or opportunity of hearing being afforded to it, therefore, the petitioner is severely prejudiced.

6. The submissions of the Petitioner are strongly opposed by Mr. Jayant Mehta, learned Senior Counsel appearing for Ultra Tech, and by the learned Central Government Standing Counsel appearing on behalf of the Union of India (Respondents No. 1 and 2). Mr. Mehta submits that the entitlement of the Prior Allottee (now Ultra Tech) to receive the fixed amount directed to be released by the impugned order dated 16.10.2025 remains undisputed in principle. According to him, the fixed amount was retained by the NA earlier only on account of the Prior Allottee's failure to furnish the requisite documentary proof of its entitlement, and that upon such documents being placed on record, the release of the said amount was a natural and inevitable consequence. Mr. Mehta further submits that, insofar as the Petitioner's claimed right over the said amount is concerned, the same had already been rejected by the NA, as the NA had held that the Petitioner is not entitled to a refund of the fixed amount.

7. While the submissions by the Respondents have been strongly opposed by Mr. Satvinder Singh, learned counsel for the Petitioner, the Court is of the view that these aspects, at this stage, are not required to be adjudicated. The submissions made by the parties could have been considered by the NA before passing any direction on 16.10.2025. If the order dated 22.07.2025 is considered in the context of the subsequent decision passed on 16.10.2025 it would clearly appear that some assertions have been recorded in the order dated 16.10.2025 without affording an opportunity of hearing to the petitioner. The principle of natural justice is

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the rule and its exclusion is an exception. No doubt, the Courts have evolved the doctrine of exclusion of the principles of natural justice, but the same is confined to cases where no prejudice is shown to have been caused to the affected party. Or the same is shown to be useless formality. In the present case, however, the Petitioner has been demonstrably prejudiced, inasmuch as an amount of ₹11,81,21,568.32/- deposited by it has been directed to be released to a third party without affording the Petitioner any opportunity of hearing.

8. Mr. Mehta endeavoured to bring the instant matter in the category of the cases where the opportunity of hearing could be termed a useless formality. The Court, however, is not persuaded by the said submission. The order dated 16.10.2025 is extracted as under:

“The compensation w.r.t Datima Coal mine was determined and settled by Final Compensation Order dated 22.07.2025. The compensation for Land, Mine Infrastructure and Cost to Consent was determined as Nil, while the value for Geological Report (GR) was determined as Rs. 11,81,21,568.32/- (excl. CMPDIL exp.) which was kept with the Government of India in absence of any supporting documents/legal claim by M/s UltraTech Cement Limited (UCL) which has taken over the M/s Binani Cement Limited (Prior Allottee of Datima coal mine) under Insolvency and Bankruptcy Code, 2016.

2. *Subsequently, M/s UltraTech Cement Limited (UCL), vide its representation dated 16.09.2025, has submitted that the Geological Reports (GRs) were prepared by the prior allottee, M/s Binani Cement Limited (BCL) and were assets of BCL. By virtue of the Resolution Plan approved under the Insolvency and Bankruptcy Code, 2016, the GRs was lawfully vested in UCL.*

3. *On examination, it is observed that the Geological Reports constitute an asset created by the prior allottee at substantial cost, and ownership thereof now stands vested in UCL as the lawful successor of BCL. In view of the binding effect of the approved Resolution Plan, UCL’s entitlement to compensation for GRs under Section 16 of the CMSP Act, 2015 is duly established.*

4. *The request of M/s Shree Cement Limited (SCL) dated 17.09.2025 for refund of fixed amount deposited by them is not*

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sustainable, since the ground on which refund was sought i.e. absence of a valid claim has been conclusively displaced by the subsequent recognition of UCL's rights.

5. *Accordingly, it has been decided that the compensation amount of Rs 11,81,21,568.32/- towards Geological reports shall be released in favour of M/s UltraTech Cement Limited.*

6. *In accordance with Section 27 of the Coal Mines (Special Provisions) Act, 2015, and the judgment dated March 9, 2017, M/s UltraTech Cement Limited and M/s Shree Cement Limited are hereby informed that they may raise disputes regarding the quantum of compensation before the Tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957"*

9. In paragraph 4 thereof, the request made by the Petitioner dated 17.09.2025 for refund of the fixed amount has been found to be unsustainable. Further, it has been noted that the grounds on which such refund was sought, namely the absence of a valid claim by the Prior Allottee, had been conclusively displaced by the subsequent recognition of Ultra Tech right. This finding, recorded in paragraph 4, alone suffices to establish that the Petitioner was a necessary party who ought to have been heard before any direction were issued. Even if it were to be assumed that the observations in paragraph 4 were merely a reiteration of earlier findings, nothing prevented the NA from affording an opportunity of hearing to the Petitioner. The same would have been necessary for the proper adjudication of the case.

10. Since the impugned order is found to be in violation of principles of natural justice, the petitioner cannot be relegated to alternate remedy which, according to the respondents, is under Section 27 of the Act. It is a well-settled legal position, reiterated by the Supreme Court in a long line of decisions, that an order passed in violation of the principles of natural justice constitutes an exception to the general rule requiring a litigant to exhaust

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statutory remedies before approaching the High Court under Article 226 of the Constitution. In ***Whirlpool Corporation v. Registrar of Trade Marks, Mumbai & Ors.***², the Supreme Court held that a writ petition can be maintained, notwithstanding the availability of an alternative remedy, in cases involving: (i) enforcement of fundamental rights; (ii) failure of the principles of natural justice; or (iii) proceedings wholly without jurisdiction or challenging the vires of a statute. The instant case plainly falls within the second of these categories. In this regard, the Hon'ble Supreme Court in ***State of Orissa v. Dr. (Miss) Binapani Dei & Ors.***³, held:

"The rule that a party to whose prejudice an order is intended to be passed is entitled to a hearing applies to judicial tribunals and bodies of persons invested with authority to adjudicate upon matters involving civil consequences. It is one of the fundamental rules of our constitutional set-up that every citizen is protected against exercise of arbitrary authority by the State or its officers... If the essentials of justice be ignored and an order to the prejudice of a person is made, the order is a nullity."

11. In view thereof, the Court finds that the impugned order suffers from material illegality on account of not affording the opportunity of hearing to the petitioner. The said order is accordingly set aside. The matter is remitted to the NA for afresh consideration.

12. Let the NA to decide the matter afresh after affording opportunity of hearing to all concerned with due expedition without any undue delay. The amount which appears to have been released to the Ultra Tech shall remain subject to further orders to be passed by the NA.

13. Accordingly, the writ petition stands disposed of. Pending application shall also stand disposed of.

² (1998) 8 SCC 1

³ AIR 1967 SC 1269



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14. All rights and contentions of the parties are left open.

PURUSHAINdra KUMAR KAURAV, J

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