

ITEM NO.818

COURT NO.6

SECTION X

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

WRIT PETITION (CIVIL) Diary No(s). 35746/2026

KARANARTHAM VIRAMAH FOUNDATION

Petitioner(s)

VERSUS

STATE OF MAHARASHTRA & ANR.

Respondent(s)

Date : 09-06-2026 This petition was mentioned today.

CORAM :

HON'BLE MR. JUSTICE PRASHANT KUMAR MISHRA
HON'BLE MR. JUSTICE ATUL S. CHANDURKAR

For Petitioner(s) : Mr. Santosh Paul, Sr.Adv.
Mr. Ankur Yadav, AOR

For Respondent(s) :

UPON being mentioned, the Court made the following

O R D E R

1. The PIL impugns an Order dated 14.01.2026 (Annexure- P-3 / Pg. 416) issued by State of Maharashtra communicating grant of mining lease to Respondent no. 2 for iron ore mining in subject area in Gadchiroli District, Maharashtra pursuant to an application made on 02.07.2010, for completing the necessary requisites for execution of mining lease.
2. Indisputably, as evident from the impugned Order itself not only the Respondent no. 2 enjoyed "preferential rights" under Section 11(1) of Mines and Minerals Development and Regulation

Act, 1957 (for short, 'MMDR Act') for obtaining mining lease for the subject area in view of grant of prospecting licence to them on 13.10.2006, execution of Prospecting License Deed in 18.07.2008 and submission of prospecting report on 28.06.2010, but also "vested rights" were already accrued in their favour before 2015, particularly when on 30.06.2011, the State Government decided and recommended to Central Government for grant of mining lease to them, which was also followed by prior approval granted on 18.05.2012 by the Central Government under Section 5(1). The impugned Order also records as follows-

"2. In view of the above request the matter has been examined by the Directorate of Geology and Mining, it has been stated that, applicant company is entitled to preferential rights under Section 11(1) of the MMDR Act for the subject area, and decision to grant the Iron Ore Mining Lease in favor of applicant company was made prior to 2015, but formal grant of Mining Lease was not issued and therefore recommended for formal grant of mining lease in terms of Section 10(3) of MMDR Act 1957.

3. The challenge to the impugned Order is essentially premised on the ground that in absence of communication of formal order of grant of mining lease before 2015 and execution of mining lease before 2021, the application filed in 2010 by preferential right holder being prospecting Licensee ought to have been treated as-

(a) pending in 2015 notwithstanding Rule 63A read with Rule 22(4), decision of State Government in recommending to Central Government for grant of mining lease and prior approval of Central Government under Section 5(1), and

(b) later rendered ineligible in view of Section 10A inserted in 2015 and any right thereunder for execution of mining lease lapsed with further amendment in 2021, warranting any grant post 2021 in follow ups made in 2025 only by 'auction' route as per Section 10(4).

4. In view of the above peculiar facts, we find this challenge wholly devoid of any merits for the following reasons-

(a) The second proviso to Rule 63A of MCR, 1960 reads as under-

"63A..... Provided further that the disposal by the State Government in case of minerals listed in the First Schedule to the Act shall mean either recommendation to the Central Government for grant of the mineral concession, or refusal to grant the mineral concession by the State Government under rule 5 for reconnaissance permit, rule 12 for prospecting licence and rule 26 for mining lease, and in all other cases, disposal shall mean either intimation regarding grant of precise area, or refusal to

grant the mineral concession under rule 5 for reconnaissance permit, rule 12 for prospecting licence and rule 26 for mining lease;"

(b) Iron Ore being a mineral listed in first schedule, in view of the above second proviso to Rule 63A of MCR, 1960, upon recommendation of State Government to the Central Government for grant of mining lease to the Respondent No. 2 for the subject area, there was 'disposal' of application filed in 2010 by prospecting licensee having preferential rights under Section 11(1) of MMDR Act much before 2015. The recommendation by State Government for grant of mining lease to prospecting licensee followed by prior approval by Central Government, both being prior to 2015, it was rightly recorded in the impugned Order that - "decision to grant the Iron Ore Mining Lease in favor of applicant company was made prior to 2015". The requirement of "intimation regarding grant of precise area" is applicable as per the second proviso only for "disposal" of cases other than a case of mineral listed in first schedule

(c) Further, the general rule of 'no decision till communication' was also not applicable in view of clear distinction drawn in

Rule 22(4) of MCR, 1960 specifically using the words 'take decision to grant' and 'communicate such decision' separately, which is to be read in conjunction with the second proviso to Rule 63A providing for disposal of the application concerning mineral listed in First Schedule upon recommendation of State Government to the Central Government for grant of 3 mineral concession without any requirement of "intimation regarding grant of precise area".

(d) When there is a decision to grant mining lease to preferential right holder followed by a written prior approval of the Central Government for grant of mining lease, formal non-communication of the grant order for execution of mining lease does not therefore diminish the accrued and vested right of the concession holder.

(e) Section 10A, which has been referred and relied upon with great emphasis by the PIL petitioner, was introduced only in 2015 and applied only to those applications for mining concessions, which were pending in 2015 without disposal and decision, which is not the situation in the instant case. In Aane Mines & Minerals vs State of Karnataka - 2019 SCC OnLine Kar 3791, Karnataka High Court rightly held as

under-

"7. Perusal of sub-section (1) of Section 10-A of the said Act of 1957 shows that obviously it deals with those applications for grant of lease, which are not disposed of as on 12th January, 2015.Sub-section (1) of Section 10-A does not make any application ineligible which is already decided. Where the application is already decided prior to 12th January, 2015, there will not be any occasion for invoking the provisions in sub-section (2) of Section 10-A of the said Act of 1957...."

No error is thus committed by State in treating the instant case out of the purview of Section 10A inserted in 2015, as the decision to grant iron ore mining lease to preferential right holder was already taken prior to 2015.

(f) Section 10A was undoubtedly inserted in 2015 for the purpose of transition from "allotment" to "auction" by rendering all pending applications ineligible under Sub-Section (1), save and except those provided under sub-Section (2). Even those pending applications which survived under exceptions under sub-Section (2), right to execution of mining lease under such applications lapsed with commencement of 2021 amendment. However, in the above peculiar facts of the case forthcoming from the well-reasoned impugned Order, and for the aforesaid reasons, Section 10A had no applicability in the instant case.

(g) When the provisions of Section 10A is not applicable in the instant case, question of

applicability of any clauses of Section 10A(2), whether (b), (c) or (d) does not arise.

(h) Further since the impugned Order is in respect of application for mining lease, dated 02.07.2010, the provisions of Section 10(4) has no applicability to the facts of this case.

(i) Alleged inaction, if any, of either the Applicant or the State for such delayed intimation, would not change the legal position.

(j) The impugned Order shows that the State Government had obtained legal opinion of the Learned Attorney General for India, and had consulted with Law Department of the State, before issuing the impugned order. Such legal opinion of the Learned Attorney General for India may not be binding, but certainly commands respect and fortifies the impugned Order issued by the State.

(k) In view of the above, the notion of public interest in not resorting to 'auction' is misplaced. There is no illegality in the impugned Order.

5. Needless to say, as mentioned in the impugned Order itself, no mining operation shall be carried out unless all statutory approvals such as mining plan, environment clearance and forest clearance are obtained in accordance with

law. The relevant authorities concerned shall consider such application for grant of statutory clearances on their own merits expeditiously.

6. PIL dismissed.

7. Accordingly, Writ Petition(s) stands dismissed.

8. Pending application(s), if any, shall stand disposed of.

(NISHA KHULBEY)
COURT MASTER (SH)

(AKSHAY KUMAR BHORIA)
COURT MASTER (NSH)