(2026) 08 KAR CK 2237

In the Karnataka High Court, Bengaluru Bench

Case No : WRIT PETITION NO.29024 OF 2024 (GM-MM_S)

M/s Reliable Infrastructure APPELLANT

Vs

The State Of Karnataka & Ors. RESPONDENT

Date of Decision : 05-08-2026

Acts Referred:

Constitution of India — Articles 226 and 227
Karnataka Minor Mineral Concession (Amendment) Rules, 2023 — Rule 31-ZC
Air (Prevention and Control of Pollution) Act, 1981 — Section 21 (7)
Karnataka Minor Mineral Concession (Amendment) Rules, 2016-sub — Rule (1) of Rule 31-ZC
Karnataka Regulation of Stone Crushers Act, 2011 — Section 4-A

Citation : (2026) 08 KAR CK 2237

Hon'ble Judges : Vibhu Bakhru, C.J;K.S. Hemalekha, J

Bench : Division Bench

Advocate : SRI. RAVEENDRA GAJANAN KOLLE, ADVOCATE, SRI RAJESH BHAT, ADVOCATE, MS. NILOUFER AKBAR, AGA FOR R-1 TO R-5, MS. RASHI SINGH, ADVOCATE, SRI A. MAHESH CHOWDHARY, ADVOCATE FOR R-6, SMT. SHYLAJA S.V., ADVOCATE FOR R-6 – ABSENT

Final Decision : Allowed

Judgement

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

1. The petitioner has filed the present writ petition praying to quash or set aside the order dated 13.09.2024 (18.09.2024) passed by 3rdrespondent and to direct the 3rdrespondent-Director to consider the petitioner's QL Application dated 05.12.2023.

2. The Director of Mines and Geology Department rejected the application of M/s. Reliable Infrastructure (**petitioner**) sought for a stone quarrying lease for manufacturing M-sand under Rule 31-ZC of the Karnataka Minor Mineral Concession (Amendment) Rules, 2023 ('**KMMC Rules**' for short).

3. The application sought was in respect of 11 acres in Sy. Nos.100 and 68 of

Belavanthakoppa and Kunitheppa Villages, Soraba Taluk, Shivamogga District. The said application was rejected on the ground that :

First, under Rule 31-ZC of the KMMC Rules and the relevant guidelines, applicant must have established an M-sand unit (possessing Form - C and CFO) prior to the commencement of KMMC Rules (effective 17.03.2023) or held a valid Consent for Establishment (**CFE**) from the Karnataka State Pollution Control Board (KSPCB) before that date.

Second, M/s. Reliable Infrastructure was not in possession of a CFE or Consent of Operation (**CFO**) for M-sand production prior to 17.03 2023.

Third, specifically that company obtained CFE on 12.04.2024, which was after the commencement of the KMMC Rules.

4. The primary contention raised by the petitioner is that,

i. The petitioner meets the first eligibility criteria of the newly substituted Rule 31-ZC of KMMC Rules. They claim that because they were issued a stone crusher licence in Form C to produce M-sand *via* a transfer order dated 04.08.2022, which predates the 17.03.2023, effective date of the KMMC Rules, they are qualified for the lease.

ii. Further, citing Section 21 (7) of the Air (Prevention and Control of Pollution) Act, 1981, the petitioner contends that when an interest in an industry is transferred, the existing consent is 'deemed to have been granted' to the new person. Therefore, it is argued that the third respondent has erroneously relied on the lack of a 'fresh' consent of establishment (CFE) in the petitioner's name.

iii. It is contended that a fresh CFE obtained on 12.04.2024, at the instance of the local officer should be considered inconsequential and not a valid basis for rejection, as they already held a valid Form C licence.

5. Learned Additional Government Advocate would submit that Rule 31-ZC of the KMMC Rules requires the applicants to have an established M-sand unit with Form C and CFO or a valid consent of establishment (CFE) prior to the commencement of the Rules on 17.03.2023. It is submitted that the petitioner did not obtain CFE in their name from the KSPCB until April 2024, which was after the required date. While the petitioner was transferred a stone crusher unit from M/s. Sri Renuka Stone Crushers on 04.08.2022, they failed to ensure that the statutory documents like CFE and Consent of Operation (CFO) were also transferred in their names. The petitioner continued to obtain Mineral Dispatch Permits (**MDP**) to transport M-sand mineral in the name of previous owner M/s Sri Renuka Stone Crushers rather than their own. It is submitted that the rejection was in accordance with clause 4.A of the State Government Guidelines (No. CI MMN 106/2023 dated 11.09.2023) which specifies the eligibility criteria for non-auction quarry lease grants. Rule 31-ZC of the KMMC Rules is substituted by notification dated 17.03.2023, which reads as under :

"**31-ZC. Special provisions for M-sand.-**(1) Notwithstanding anything contained in these rules in order to promote manufactured sand (hereinafter referred as 'M-sand') and to conserve natural sand shall be granted quarry lease for persons who have already established or person who hold a valid licence(Form CFE) for establishment of M-sand Unit to enable them to produce M-sand for the next thirty years.

(2) Every application for grant of quarry lease as specified in sub-rule (1) shall be made in the Form AQL along with the documents specified in the guidelines by the Government from time to time, to the Commissioner or Director, Department of Mines and Geology and shall be accompanied by non-refundable application fee of rupees ten thousand per acre in the form of treasury challan:

Provided that. –

(a) quarry blocks identified by the Owner of M-sand unit or Form CFE holder within radius of 30 kilometre from the present location of the unit;

(b) all the application received under sub-rule (1) of Rule 31-ZC of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016 for production of M-sand and pending consideration for grant of quarry lease shall be considered and disposed in accordance with Karnataka Minor Mineral Concession (Amendment) Rules, 2023;

(c) an application under Form AQL shall be made within a period of twelve months from the date of commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2023; and

(d) the grant of quarry leases under sub-rules (1) and (2) shall be done by the Guidelines issued by the State Government from time to time."

Emphasis ours)

6. Rule 31-ZC is a special provision introduced to promote the manufacture of M-sand and to conserve natural sand by enabling eligible M-sand units to obtain quarry leases for extraction of ordinary building stones. The rule employs two distinct categories of eligible persons. First, it refers to persons who have already established 'a M-sand unit'. Secondly, it refers to 'persons who hold a valid licence (Form C/CFE) for establishment of a M-sand unit'. The use of the disjunctive word 'or' clearly indicates that these are independent categories of eligibility. The rule does not stipulate that the Form C licence or CFE should have been originally issued in the name of the applicant. Similarly, the rule does not prohibit a transferee of a valid Form C licence from claiming eligibility thereunder.

7. The expression 'hold a valid licence', is significant. The emphasis of the rule is on subsistence and the validity of the licence on the relevant date. Once the competent authority, in exercise of its statutory powers under Section 4-A of the Karnataka Regulation of Stone Crushers Act, 2011, transfers a Form C licence in favour of another person, the transferee becomes the lawful holder of the licence. The rule does not distinguish between an original licensee and a transferee, nor does it require that the licence should have been originally issued in the name of the applicant. Similarly, as the first limb of the rule refers to the persons who have already established an M-sand unit, an industrial unit does not cease to remain an established M-sand unit merely because its ownership or licence has been transferred. If the M-sand unit had already been established

prior to the commencement of the KMMC Rules and continued to exist under a validly transferred Form C licence, the transferee cannot, merely on account of transfer, be excluded from the ambit of Rule 31-ZC unless the Rule explicitly provides so.

8. It is a settled principle of statutory interpretation that when the language of the rule is plain, neither the executive authority nor the court can read into the rule a condition which the rule making authority had consciously omitted. Rule 31-ZC does not require the applicant to have obtained a Form C licence or the Consent of Establishment in his own name prior to 17.03.2023. Reading a requirement into rule would amount to supplying words which are not found in the statutory provisions. Therefore, the appropriate enquiry under Rule 31-ZC is whether, as on the date of commencement of the KMMC Rules, there existed an established M-sand unit, and whether the applicant was a valid holder of Form C licence or whether answered the descriptions contained in the rules. If these conditions could be satisfied, the application could not have been rejected merely because a fresh Consent of Establishment was subsequently obtained in the name of a transferee, unless the rule itself made such a requirement a condition of eligibility.

9. In the present case, as stated supra, it is undisputed that Form C licence originally granted in favour of M/s. Renuka Stone Crushers, was lawfully transferred in favour of the petitioner on 04.08.2022 under Section 4-A of the Karnataka Regulation of Stone Crushers Act, 2011. Consequently, as on the date of commencement of the KMMC Rules i.e. on 17.03.2023, the petitioner was a lawful holder of the valid Form C licence. It is equally undisputed that the M-sand unit had already been established and that the original consent for establishment granted in favour of the transferor continued to remain valid till 30.09.2025. The authority however rejected the application of the petitioner solely on the ground that the petitioner had obtained a certificate of establishment on 12.04.2024. Such reasoning proceeds on an assumption that Rule 31-ZC mandates that the consent for ownership for establishment should have been obtained in the petitioner's name prior to 17.03.2023. No such requirement is found in the rule. Reading of such conditions into Rule 31-ZC would amount to adding words to the statutory provision which is unenforceable. This Court is of the considered opinion that the impugned order cannot be sustained.

10. Rule 31-ZC of the KMMC Rules contemplates the grant of quarry leases to persons who have already established M-sand units or who hold a valid licence for establishment of an M-sand unit. It is an admitted fact that Form C licence originally granted in favour of M/s. Sri Renuka Stone Crushers was validly transferred in favour of the petitioner on 04.08.2022 under Section 4-A of the Karnataka Regulation of Stone Crushers Act, 2011. As on the date of the commencement of KMMC Rules, namely 17.03.2023, the petitioner was lawful holder of a valid Form C licence. The petitioner's eligibility ought to have been examined with reference to the requirements contained in Rule 31-ZC and the

relevant Government Guidelines. Instead, the application came to be rejected on the basis that the date of issuance of the fresh consent of establishment, which constitutes an irrelevant consideration for determining eligibility under the rule. The impugned order is thus vitiated by misapplication of the statutory provisions and is liable to be set aside.

11. The impugned order dated 13.09.2024 (18.09.2024) is quashed. The matter is remitted to the third respondent to reconsider the petitioner's application in accordance with Rule 31-ZC of KMMC Rules and the Government Guidelines, without treating the mere fact that the petitioner obtained a fresh Consent for Establishment on 12.04.2024 as, by itself, a ground for eligibility. A fresh informed reasoned order shall be passed after affording an opportunity to the petitioner of hearing within a period of eight (8) weeks from date.

12. The petition is accordingly allowed.

