

(2006) 01 AP CK 0059

In the Andhra Pradesh High Court

Case No : Writ Petition No. 7120 of 2005

Reliance Granite Private Ltd.

APPELLANT

Vs

Government of A.P. and Others

RESPONDENT

Date of Decision : 24-01-2006

Acts Referred:

Andhra Pradesh Minor Mineral Concession Rules, 1966 — Rule 12(5), 35A, 35C
Constitution of India, 1950 — Article 226
Forest (Conservation) Act, 1980 — Section 2

Citation : AIR 2006 AP 292 : (2006) 2 ALD 237

Hon'ble Judges : B. Seshasayana Reddy, J

Bench : Single Bench

Advocate : V.L. Sarendra, for the Appellant; Government Pleader, for Mines and Geology, for the Respondent Nos. 1 and 2 and S. Srinivasa Reddy, for the Respondent

Final Decision : Dismissed

Judgement

B. Seshasayana Reddy, J.—This writ petition has been filed by M/s. Reliance Granite Private Limited with a prayer to issue a writ of certiorari calling for the records of 1st respondent culminating in issue of Memo No. 11709/ M.II(1)/04-3, dated 7.3.2005 on an application dated 18.8.2004 presented by M/s. Exotic Granite Exports-3rd respondent and to quash the order passed therein.

2. The background facts of the case leading to filing of this writ petition, in brief, are :

The petitioner is a private limited company. It is engaged in procuring granites and process the same in the factory for the purpose of exports. The petitioner obtained a quarry lease for black granite over an extent of 2 hectares of land in S.No.204/1 of Ingurthy Village of Kesamudram Mandal, Warangal for a period of five years. When the forest department started interfering with the quarrying operations of the petitioner-company claiming that the land forms part of the reserved forest, the petitioner filed W.P. No. 18317 of 1993 seeking directions to

the forest department not to interfere with the quarrying activities therein. Since the land is found to be a part of reserved forest, the writ petition ended in dismissal on 5.4.1995. Consequently quarrying operations came to a standstill. The petitioner submitted an application for renewal of quarry lease on 1.3.1996 before the expiry of the lease period. Pursuant to the renewal application, the survey and demarcation was conducted by the Surveyor and the Assistant Geologist of the office of Deputy Director of Mines and Geology, Warangal on 12.8.1998. The petitioner attended the survey and demarcation on 12.8.1998. The petitioner received a show-cause notice on 14.11.1998 from the Director, Mines and Geology-2nd respondent calling upon him to explain as to why the renewal application should not be rejected on the ground of not attending the survey and demarcation despite repeated notices. The petitioner-company submitted its reply dated 25.11.1998 bringing to the notice of 2nd respondent that survey was already conducted on 12.8.1998. On 8.8.2003 the petitioner-company approached Deputy Director, Mines and Geology, Warangal to know about the status of its application and thereupon the petitioner-company learnt that the renewal application had been rejected by 2nd respondent under Rule 12(5)(c) of A.P. Minor Mineral Concession Rules, 1966 (for short the Rules) and a copy of the rejection order was communicated to the petitioner. The petitioner filed revision before the 1st respondent on 8.8.2003. The 2nd respondent submitted his remarks on 26.12.2003 and thereupon the 1st respondent passed order on 6.1.2004 setting aside the order passed by the Deputy Director, Mines and Geology, Warangal, rejecting the renewal application and directed the Director of Mines and Geology to consider the renewal application in accordance with law. The Assistant Director, Mines and Geology, Warangal informed the petitioner that the subject area was found falling under the reserved forest and as such the petitioner was asked to get the forest clearance to proceed with the renewal application. Pursuant to the said letter, the petitioner applied to the Principal Chief Conservator of Forests on 12.11.2004 seeking permission under the Forest (Conservation) Act, 1980 and also submitted proposal for compensatory afforestation, surrender of alternative land and also the prospecting report to enable the said authority to obtain clearance from the Central Government in accordance with the Act. 3rd respondent applied for grant of quarry lease for black granite in 10 hectares of land in the Forest Compartment No. 1148, Ingurthy Reserved Forest, Kesamudram Mandal, Warangal on 2.12.2002. It also made an application to the Principal Chief Conservator of Forest on 4.11.2003 for grant of approval u/s 2 of Forest (Conservation) Act and the said application is stated to be pending in the department. 3rd respondent filed an application for recalling the order-dated 6.1.2004. 1st respondent issued notice to the petitioner on 27.1.2005 calling upon the petitioner to be present for hearing on the application filed by 3rd respondent. The petitioner-company submitted its written submissions before the Government stating that the application filed by 3rd respondent herein is not maintainable since the Government had already passed orders in the revision filed by the petitioner and the Rules do not confer power of review on the

Government. 1st respondent by the impugned memo in the writ petition had rescinded the order passed in Memo No. 19310/M.II(1)/03-3, dated 6.1.2004 and restored the proceedings dated 1.1.1999 of 2nd respondent and rejected the revision application filed by the petitioner. The relevant portion of the order dated 7.3.2005 reads as under:

7. Finally, M/s Exotic Granite Exports requested the Government to recall the orders issued in memo No. 19310/M.II(1)/03-3, dated 6.1.2004 and direct the Principal Chief Conservator of Forest to submit their application to the Government of India u/s 2 of F.C. Act, 1980 for granting necessary approvals to enable the Director of Mines and Geology to consider an application for grant of quarry lease.

8. The matter has been examined by Government further in detail and a hearing was conducted on 7.2.2005 duly calling both M/s. Exotic Granite Exports and M/s. Reliance Granite Private Limited. M/s. Exotic Granite exports and M/s. Reliance Granite Private Limited have attended the hearing along with their Counsel. After hearing the arguments, it is observed that earlier orders were passed vide Memo.No. 19310/M.KII(1)/ 2003-3, dated 6.1.2004 on the Revision Application filed by M/s. Reliance Granite Private Limited, based on the report of the Director of Mines and Geology, which did not contain the true facts obtaining as on the date of passing revisional orders. The true facts are that there are pending applications for the same area and that the area is a forest land. While passing the orders, the revisional authority has not been informed nor appraised about the true facts of the Revision Application, due to which an error crept into the order because of an incorrect report. Added to this the final rejection order dated 1.1.1999 was issued and sent by RPAD. After a lapse about 4 years, M/s. Reliance Granite Private Limited approached the Deputy Director of Mines and Geology, Warangal on 8.8.2003 and on the same day the Deputy Director of Mines and Geology, Warangal, given to M/s Reliance Granite Private Limited, a copy of rejection orders of Director of Mines and Geology dated 1.1.1999. Further, M/s Reliance Granite Private Limited having received show-cause notice dated 14.11.1998 from Director of Mines and Geology in the matter they should have contacted the O/o the Director of Mines and Geology to ascertain the stage of their renewal quarry lease application. Instead, they have approached the Deputy Director of Mines and Geology, Warangal, after a lapse of about 4 years, who is not a competent authority to give any reply in this matter, especially when the rejection order was sent by RPAD by O/o the Director of Mines and Geology. It is also not known why M/s Reliance Granite Private Limited were silent for about 4 years.

9. After appraisal of the true facts, it is felt justifiable to re-consider the above Revision Orders based on the present report submitted by the Director of Mines and Geology after consideration of the representation of M/s Exotic Granites. Accordingly, Government felt that it is proper and justifiable keeping in view of the true facts to reconsider the orders passed earlier by rescinding the

Government Memo.No. 19310/M.II (1)/2003-3, dated 6.1.2004 duly restoring the Proceedings of Director of Mines and Geology No. 7016/ R7-1/96, dated 1.1.1999. Therefore, due to reconsideration of revisional orders, based on the true facts, Government rescind its orders in memo,No. 19310/M.II (1)/2003-2, dated 6.1.2004 and restore the proceedings dated 1.1.1999 of Director of Mines and Geology and do not find any merits on the Revision Application filed by M/s Reliance Granite Private Limited, after taking into consideration the true facts obtaining as on 6.1.2004 and reject the same for the following reasons:

(a) there are pending applications in the subject area;

(b) the subject area falls under forest.

10. Government also direct M/s Exotic Granite Exports to approach the appropriate authorities for necessary relief.

11. Accordingly, both the Revision Applications filed by M/s Reliance Granite Private Limited and the representation filed by M/s. Exotic Granite Exports are disposed of.

3. 3rd respondent filed counter-affidavit. The fact of the petitioner-company obtaining grant of quarry lease over an extent of 2 hectares of land in Sy.No.204/1 of Ingurthy Village of Kesamudram Mandal, Warangal District for a period of five years on 12.5.1989 is not controverted by 3rd respondent. It is stated in the counter-affidavit that the leased land falls in the reserve forest area and therefore officials of the Forest department objected the petitioner-company from quarrying activities. This Court by a common order dated 5.4.1995 passed in W.P.No. 18317 of 1993 and W.A.No. 1002 of 1994 dismissed the writ petition holding that the land in question covered by the quarry lease falls in the reserved forest and as such no quarrying activity can be carried out by the petitioner. Lease granted in favour of the petitioner came to be expired on 11.5.1994. Even though the lease expired in 1994 the petitioner-company did not apply for renewal of the same within the stipulated period under the Rules. The petitioner-company did not attend the survey and inspection of the land inspite of receiving four notices from the department, probably being aware of the fact that the land is in reserve forest area and the same cannot be granted on lease without complying the statutory requirement under the Forest (Conservation) Act, 1980. The application filed by the petitioner-company for renewal of quarry lease was rejected on 1.1.1999 and the said order was communicated to the petitioner-company through RPAD. It is not open to the petitioner to claim that on 8.8.2003 it came to know about the rejection of renewal application through the Deputy Director, Mines and Geology, Warangal. The petitioner-company having received the rejection order kept silent till 8.8.2003. The petitioner-company to get over the limitation prescribed for filing a revision against the order dated 1.1.1999 made a representation dated 8.8.2003 to the Deputy Director, Mines and Geology, Warangal, pursuant to which Deputy Director of Mines and Geology, Warangal informed the petitioner-company that the application was already

rejected by the Director, Mines and Geology, Warangal on 1.1.1999. Basing on the said information, the petitioner filed a revision before the 1st respondent on 18.8.2003. The petitioner-company also suppressed the order-dated 5.4.1995 of this Court. The Government basing on incomplete information and not noticing the fraud played by the petitioner-company allowed the Revision Petition by an order dated 6.1.2004 and directed the Director, Mines and Geology-2nd respondent to consider the renewal application of the petitioner-company as per Rules. The petitioner is well aware that the subject land falls in reserved forest area and without obtaining clearance from the Central Government, no quarry lease can be granted or renewed. The petitioner-company knowing fully well did not apply to the Central Government for permission to use the forest land for quarrying purpose till 30.12.2004. 3rd respondent applied for grant of quarry lease over an extent of 10 hectares of land in compartment No. 1148 of Ingurthi reserve forest on 2.12.2002. The Assistant Director forwarded the said application to the Divisional Forest Officer, Warangal (South) through his letter dated 2.12.2002 to process the said application for obtaining clearance u/s 2 of The Forest (Conservation) Act, 1980 and further requested the DFO to depute the concerned Officer for joint survey on 6.12.2002. Pursuant to the said application, the DFO called for further information and the same has been furnished by this respondent. This respondent submitted applications dated 25.3.2003 and 4.11.2003 for grant of approval u/s 2 of Forest (Conservation) Act. The area applied by this respondent forms part of land claimed by the petitioner. This respondent sought for recalling of the said order in accordance with the Rules. The Rules provide for such power on 1st respondent. On noticing the irregularities and illegalities occurred in the order dated 6.1.2004 and after hearing both the parties, 1st respondent validly exercising his power under the Rules recalled the order dated 6.1.2004. The petitioner-company intentionally concealed the fact that the subject land falls in reserve forest area while applying for renewal and did not attend the survey inspite of receiving repeated notices. The petitioner-company suppressed all these facts and filed revision before the 1st respondent after four years of the order of rejection of renewal passed by the Director, Mines and Geology. Therefore, the doctrine of fraud is applicable and the fraud is evident from the records. It is trite to refer para 10 of the counter-affidavit and it is thus:

10. I submit that admittedly the subject land forms part of the land for which this respondent applied for grant of quarry lease on 2.12.2002. There was no application for grant or renewal of lease pending as on 2.12.2002. This respondent applied to the Chief Conservator of Forest for seeking approval of the Central Government u/s 2 of the Forest (Conservation) Act on 25.3.2003 and 4.11.2003. Whereas the petitioner applied to the Conservator of Forest only on 13.12.2004. Admittedly, no renewal application can be entertained by 2nd respondent in respect of forest land without the prior approval u/s 2 of A.P. Forest (Conservation) Act. No such permission was granted to the petitioner as on the date when it had applied for grant of original lease or when it applied for

renewal of quarry lease. As such the claim of the petitioner is liable to be rejected in view of the facts stated above.

4. Heard learned Counsel appearing for the petitioner, learned Government Pleader for Mines and Geology appearing for respondents 1 and 2 and learned Counsel appearing for 3rd respondent.

5. Learned Counsel appearing for the petitioner-company submits that 1st respondent has no power to review the order dated 6.1.2004 since no such power is vested with 1st respondent under the Rules. He further submits that rejection of the renewal application came to be issued by the Director of Mines and Geology on wholly irrelevant grounds and therefore the order passed by 1st respondent in setting aside the rejection order of the Director of Mines and Geology is in accordance with the Rules. During the course of submissions, he narrated the sequence of events right from the date of grant of quarry lease of black granite i.e. from 2.8.1991 till the date of the order impugned in the writ petition. He further submits that review on merits is impermissible since no such power is vested with the Government under the Rules. In support of his submissions, reliance has been placed on the decisions of our High Court in 1993 (2) ALT 238 , V. Murali Vs. Government of Andhra Pradesh and others, , C. Shashi Kumar Vs. Government of A.P. and Others, and the decision of Supreme Court in Kapra Mazoor Ekta Union v. Birla Cotton Spinning and Weaving Mills 2005 (1) DT (SC) 447. In the V. Murali v. Government of A.P. (supra), it has been held by this Court that the Rules did not confer any jurisdiction upon the Government to review its own order. Para 12 of the judgment needs to be noted and it is thus:

12. The petitioner in W.P. No.9710 of 1992 thereafter preferred the so called representation dated 28.11.1991 addressed to the concerned Minister for Mines and Geology. The concerned Minister having entertained the representation reviewed the order passed by the Government on 13.11.1991 and accordingly directed the renewal of quarry lease in favour of the petitioner subject to certain conditions. In my considered opinion, the order-dated 19.2.1992 suffer from incurable jurisdictional errors and legal infirmities. The Minor Mineral Concession Rules, 1966 do not confer any such jurisdiction upon the Government to review its own order. There is no provision in the Rules under which a review application could have been preferred by an aggrieved person. The order passed by the Government in exercise of its revisional jurisdiction under Rule 35-A is final. It is entirely a different matter that even an order passed under revision can be reopened if such an order has been obtained by a person by playing fraud. Fraud vitiates everything. But the Government under no circumstances can review its own order. The power to interfere with the order of the Director, Deputy Director, Assistant Director is conferred upon the Government can be exercised only in accordance with Rules. The power of the Government is regulated and structured by statutory Rules. Therefore, the order passed by the Government in exercise of revisional jurisdiction cannot be reviewed by the Government, as the said Rules

does not confer any such power of review upon the Government.

In the *C. Shashi Kumar v. Government of A.P.* (supra), a Division Bench of this Court has held that the Government has no power to review its own order and; that Rule 35-A of Rules does not empower the Government to review its own order. In the *Kapra Mazoor Ekta Union v. Birla Cotton Spinning and Weaving Mills* (supra), it has been held as follows:

19. Applying these principles it is apparent that where a Court or quasi-judicial authority having jurisdiction to adjudicate on merit proceeds to do so, its judgment or order can be reviewed on merit only if the Court or the quasi-judicial authority is vested with power of review by express provision or by necessary implication. The procedural review belongs to a different category. In such a review, the Court or quasi judicial authority having jurisdiction to adjudicate proceeds to do so, but in doing so commits a procedural illegality which goes to the root of the matter and invalidates the proceeding itself, and consequently the order passed therein. Cases where a decision is rendered by the Court or quasi-judicial authority without notice to the opposite party or under a mistaken impression that the notice had been served upon the opposite party, or where a matter is taken up for hearing and decision on a date other than the date fixed for its hearing, are some illustrative cases in which the power of procedural "review may be invoked. In such a case the party seeking review or recall of the order does not have to substantiate the ground that the order passed suffers from an error apparent on the face of the record or any other ground which may justify a review. He has to establish that the procedure followed by the Court or the quasi-judicial authority suffered from such illegality that it vitiated the proceeding and invalidated the order made therein, inasmuch the opposite party concerned was not heard for no fault of his, or that the matter was heard and decided on a date other than the one fixed for hearing of the matter which he could not attend for no fault of his. In such cases, therefore, the matter has to be reheard in accordance with law without going into the merit of the order passed. The order passed is liable to be recalled and reviewed not because it is found to be erroneous, but because it was passed in a proceeding which was itself vitiated by an error of procedure or mistake which went to the root of the matter and invalidated the entire proceeding. In *Grindlays Bank Ltd. v. Central Government Industrial Tribunal and others* (Supra), it was held that once it is established that the respondents were prevented from appearing at the hearing due to sufficient cause, it followed that the matter must be reheard and decided again.

6. Learned Counsel appearing for the third respondent submits that the petitioner filed Revision before the Government after the expiry of limitation provided u/s 35C of Rules. He further submits that the petitioner pleaded in the revision that quarry has been developed by it, which fact is proved to be incorrect in the earlier round of litigation and therefore it amounts to securing an order from the revisional authority by playing fraud. He also submits that the

revision filed by the petitioner without seeking condonation of delay is incompetent and the revisional authority on considering true facts and after giving opportunity to both the parties recalled the earlier order and therefore the order impugned in the writ petition is legal and valid and does not warrant interference. A further submission has been made that 3rd respondent made an application on 2,12.2002 for quarry lease over 10 hectares and the said application came to be forwarded to the Divisional Forest Officer, Warangal to process the same u/s 2 of Forest (Conservation) Act, 1980. In support of his submissions, reliance has been placed on the decision of this Court in Reliance Granite (P) Ltd. v. Deputy Director of Mines and Geology Warangal W.P. No. 18317 of 1993 and W.A.No. 1002 of 1994 disposed of on 5th April, 1995.

7. Before dwelling on the rival contentions of the parties, a few dates are relevant to be noted commencing from the date of quarry lease to the date of order passed on review application of 3rd respondent. Quarry lease for a period of five years came to be granted in favour of the petitioner-company in respect of 2 hectares of land comprising in S.No. 204/1 of Ingurthy village, Kesamudram, Warangal District. The Forest Department issued a notice dated 8.9.1991 claiming the land as part of reserve forest. Assailing the notice the petitioner-company filed W.P.No. 12099 of 1991. The said writ petition came to be disposed of on 18.9.1991 directing the Survey Department, Warangal District to conduct the survey of the land in question. Later on, the petitioner-company filed W.P. No. 18317 of 1993 with a prayer to direct the respondents therein to refrain from interfering with the quarrying operation of black granite over the land in question. An application for interim relief was filed which was allowed by the learned Single Judge. Thereupon, the respondents therein challenged the order passed in W.P.No. 18317 of 1993 by filing W.A. No. 1002 of 1994. The writ appeal and the writ petition were heard together and a common order dated 5,4.1995 came to be passed whereby and where under the writ petition ended in dismissal. It is trite to note the relevant portion of the order passed in the said writ petition and it is thus :

Having heard the learned Counsel for both the parties, we are of the view that the writ petition filed by the writ petitioner deserves to be dismissed on the short ground that, admittedly, so far no survey has been done and no possession of the land was given to the petitioner so as to entitle it to start mining operation over the land in dispute.

Accordingly, no direction can be made to the respondents to refrain from stopping the petitioner from quarrying or mining operation. If on final survey being done the land in question is not found to be forming part of reserve forest, then and then only the petitioner may claim any right to operate the quarry in pursuance of the mining lease granted to it by the Mining Department. At present it cannot be said that the land does not form part of reserve forest, particularly, when the Forest Department has, from the very beginning, been claiming it to be part and parcel of reserve forest.

For the reasons aforesaid, we find no merit in the writ petition. Accordingly, it is hereby dismissed, but without any order as to costs.

In view of the fact that the writ petition itself is disposed of on merits, no order on the writ appeal is necessary and it deserves to be dismissed as having become infructuous and it is accordingly dismissed.

The petitioner-company filed an application seeking renewal of quarry lease. The Director of Mines and Geology rejected the application of the petitioner-company under proceedings dated 1.1.1999. The rejection order was preceded by a notice issued to the petitioner-company as to why the application seeking renewal should not be rejected for its failure to turn up for survey and inspection. The petitioner-company filed revision on 18.8.2003 contending that it came to know of the rejection order in the month of August 2003 and that survey and demarcation was conducted on 12.8.1998 and as such no fresh survey was required. The revision filed by the petitioner-company came to be allowed vide memo No. 19310/M.II(1)/03-3, dated 6.1.2004. 3rd respondent filed application before 1st respondent to recall the order passed in the revision. 1st respondent after hearing both the parties allowed the application of 3rd respondent and thereby recalled the order dated 6.1.2004 passed on the revision application filed by the petitioner-company.

8. The principal contention of the learned Counsel for the petitioner-company is that 1st respondent is not empowered to review the order passed on 6.1.2004 since there is no provision in the Rules conferring 1st respondent such power. Per contra, learned Counsel appearing for 3rd respondent submits that the petitioner-company secured orders on the revision application by suppressing material facts and thereby 1st respondent recalled the order passed on the revision application filed by the petitioner-company.

9. It is no more in dispute that the land in question forms part and parcel of the reserved forest. Permission of the Forest Department is required for grant of quarry lease of the land, which falls under reserve forest. The petitioner-company asserted in the revision application that it started quarrying operations in the land. The revisional authority was carried away with the assertion of the petitioner-company and thereby a direction was given to the Director of Mines and Geology to consider the application for renewal of quarry lease. It has come on record that this Court in the earlier round of litigation *Reliance Granite (P) Ltd. v. Deputy Director of Mines and Geology Warangal* W.P.No.18317 of 1993 and W.A.No. 1002 of 1994 disposed of on 5th April, 1995) recorded a categorical finding that the petitioner-company did not commence quarrying operations on the land because of resistance made by the forest department. Therefore, the assertion of the petitioner-company before the revisional authority that it created the infrastructure in the lease area and developed the deposit systematically for the purpose of quarrying and brought the operations to the optimum production level is against the record. In the revision application, the petitioner-company did not mention that the land forms part and parcel of reserve forest. It can be said

without any controversy that the petitioner-company approached 1st respondent suppressing the material facts. It has also come on record that notices have been issued to the petitioner-company seeking presence of its representatives at the time of survey and demarcation. The petitioner-company inspite of receiving notices did not chose to give any reply or make available its representatives to be present on the date fixed for survey and demarcation. This fact also the petitioner-company did not mention in the revision application. The revision application filed by the petitioner-company before 1st respondent comprises the facts which are contrary to the record.

10. The expression "review" is used in two distinct senses, namely (1) a procedural review which is either inherent or implied in a Court or Tribunal to set-aside a palpably erroneous order passed under a mis-apprehension by it, and (2) a review on merits when the error sought to be corrected is one of law and is apparent on the face of the record. It is in the later sense the Apex Court in *Patel Narshi Thakershi and Others Vs. Shri Pradyumansinghji Arjunsinghji*, , case held that no review lies on merits unless a statue specifically provides for it. Obviously when a review is sought due to a procedural defect, the inadvertent error committed by the Tribunal must be corrected *ex debita justitiae* to prevent the abuse of its process, and such power inheres in every Court or Tribunal.

11. The material brought on record establishes that the petitioner-company suppressed vital aspects and thereby secured order in the revision application, which amounts to playing fraud on the authority in securing order in favour of the petitioner-company. It is well settled that fraud vitiates everything. "Fraud and justice never dwell together" (*fraus et jus nunquam cohabitant*) is a pristine maxim, which has never lost its temper over all these centuries. Lord Denning observed in a language without equivocation that "no judgment of a Court, no order of a Minister can be allowed to stand if it has been obtained by fraud, for, fraud unravels everything" *Lazarus Estates Ltd, v. Beasley* 1956 1 QB 702 1st respondent has given cogent and convincing reasons for recalling the order dated 6.1.2004 passed in Memo No. 193107 M.n(1)/03-3. This is not a fit case to interfere with the order impugned in the writ petition in exercise of the powers under Article 226 of the Constitution of India.

12. Accordingly, this writ petition fails and the same is hereby dismissed. No costs.