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ALLAHABAD HIGH COURT ON BLACKLISTING OF LICENSED MINERS

A. Introduction

The High Court of Allahabad (“HC”), on November 21, 2023, in the *Maa Vindhya Stone Crusher Company* case,¹ reiterated the importance of following principles of natural justice in quasi-judicial processes of blacklisting of private licensees.

B. Brief Facts

1. Maa Vindhya Stone Crusher Company (“MVSCC”) was awarded a 10-year mining lease effective from July 15, 2016.
2. On July 17, 2023, MVSCC received an email notice accusing it of illegal mining outside the designated area and demanding Rs. 1.7 crore. Aggrieved by this, MVSCC approached the District Magistrate (“DM”).
3. The DM ordered against MVSCC cancelling its lease and blacklisting it for two years without giving it adequate time to respond to the notice.
4. MVSCC challenged the DM’s order before the HC on the ground that it was passed in gross violation of the principles of natural justice.

C. HC’s Judgement and Reasoning

The HC:

1. Set aside the DM’s order and allowed MVSCC to operate its lease with immediate effect since the principles of natural justice were grossly violated;²
2. Relied on the *Kumari Chitra Srivastava* case³ decided by the Supreme Court and held that: “...if the petitioner was deprived of the opportunity to place his side of the case and if the principles of natural justice were violated then the Court, without going into the actual order can set aside the same...” and “[t]he very fact, therefore, that the principles of the natural justice were not complied with is sufficient enough for this Court to intervene and set aside the order impugned. It may seem to a few that the observance of the principles of natural justice is a cumbersome process but we do find that in a civilized society if the rule of law has to be there then the principles of natural justice should compulsorily be followed.”⁴

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¹*Maa Vindhya Stone Crusher Company v. State of U.P. and Another*, 2023:AHC:220570-DB.

² Paragraphs 11, 12 and 14 of the Judgement.

³ *The Board of High School and intermediate Education, U.P. and others v. Kumari Chitra Srivastava and others*, 1970 (1) SCC 121.

⁴ Paragraph 10 of the Judgement.