



IN THE HIGH COURT OF JUDICATURE AT BOMBAY,
NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 5113 OF 2025

Dalmia Cement (Bharat) Limited,
 Through its Authorised Signatory
 Santosh Ganpatrao Mogre,
 Deputy General Manager,
 CEM Mines, having its office at
 11th and 12th Floors, Hansalaya
 Building, 15, Barakhamba Road,
 New Delhi – 110001.

.... **PETITIONER.**

// **VERSUS //**

1. Union of India,
 Through its Secretary,
 Ministry of Mines, Shastri Bhawan,
 New Delhi – 110001.
2. State of Maharashtra,
 Through its Secretary Industries,
 Energy and Labour Department,
 Mantralaya, Mumbai – 400 032.
3. Director of Geology and Mining
 Through Director General,
 Government of Maharashtra,
 27, Khanji Bhawan, Cement Road,
 Shivaji Nagar, Nagpur,
 Maharashtra- 440 010.
4. Indian Bureau of Mines,
 Through the Controller General
 2nd Floor, Indira Bhawan,
 Civil Lines, Nagpur,
 Maharashtra – 440 001.

.... **RESPONDENTS.**

Shri Shashank Garg, Sr. Advocate a/b Shri Yashowardhan N. Sambre a/w Shri Harsh Kaushik and Ms Nishitha Jain, Advocates for Petitioner.
Shri S.A.Chaudhari, Advocate for Respondent No.1.
Shri D.V.Chauhan, Sr. Adv. & G.P. a/b. Ms Kalyani Marpakwar, A.G.P. for Respondent /State.

**CORAM : ANIL S. KILOR AND
RAJNISH R. VYAS, JJ.**

DATED : DECEMBER 23, 2025.

ORAL JUDGMENT : (Per : Anil S. Kilor, J)

1. Heard.
2. **RULE.** Rule made returnable forthwith. Heard finally by consent of the learned counsel for the parties.
3. By way of the present writ petition a challenge is raised to the letter dated 01/09/2025 issued by respondent No.2 against the representation of the petitioner dated 14/08/2025, denying to extend the period of Letter of Intent for mining lease of Gojoli Mineral Block in Chandrapur district.
4. The petitioner company, which is engaged in manufacturing and selling of cement, participated in a bid process in response to the notice issued by respondent No.3 on 01/12/2019, inviting tenders for

“Invitation of bids for grant of Mining Lease for Limestone, Iron Ore, Bauxite and Manganese Ore Minerals and for grant of Composite Licence for Copper Mineral.”

5. Respondent No.2 identified Gojoli-Somanpali-Dongargaon (Gojoli Mineral Block) as one of the mineral blocks containing the mineral Limestone for the purpose of granting mining lease. The aforesaid mineral block is reserved for Specified End Use of production/manufacturing of cement.

6. The petitioner's bid was found to be the highest Final Price Offer of 5.20% and accordingly the petitioner was declared as 'Preferred Bidder' for grant of Mining Lease of Gjojoli Mineral Block.

7. The petitioner on 31/05/2019, made payment of first installment of upfront payment to the tune of Rs.84,79,233/- then on 10/09/2020, the respondent No.2 issued Letter of Intent in favour of the petitioner for grant of mining lease of above referred mining block for 646.55 Hectare area for the period of 50 years. The final validity period of Letter of Intent was three years from the date of its issuance which was extendable up to further period of two years.

8. The Respondent No.4 ("IBM") sent a letter to the Petitioner on 19/03/2021, approving the Mining Plan along with the Progressive Mine Closure Plan. In order to comply with the conditions stated in the Mining Plan, Petitioner issued a letter of intent on 13/09/2021 to one M/s Rishabh Meta Ispat awarding them the order for Consultancy & Land purchase for Forest Diversion Plan for Gojoli Mines EC Clearance for MIL Unit at a rate of Rs.6,47,33,720/-.

9. In response to letter dated 13.09.2021, M/s.Rishabh Meta Ispat wrote a letter to Director Conservator of Forests, Chandrapur on 20/10/2021 for conformation of forest land along with list of forest land as per details provided along with notice inviting tender/letter of intent. The Petitioner was surprised to find out that that the forest land had increased from 114.40 Hectare (as reported in the Tender Document) to 185.83 Hectare. This caused significant delay in the forest diversion proposal as it had to be re-submitted.

10. After the auction of the Mineral Block, on 15/03/2021 the Kanhargaon Wildlife Sanctuary was notified by the Government of Maharashtra under the provisions of the Wildlife Protection Act, 1972. That it emerged that part of the Gojoli Mineral Block fell within the 1 km

radius of the Kanhargaon Wildlife Sanctuary, which as per the Hon'ble Supreme Court's order dated 03/06/2022, had to be kept as a no-mining zone. This too, was a new development, occurring after the grant of Letter of Intent, and entirely beyond the control of the Petitioner.

11. The Respondent No.2 sent a letter to the Petitioner on 01/07/2022, stating as follows:

I. The Divisional Forest Officer informed the Petitioner about a report indicating that the 188.45 hectares of proposed non-forest land in Mouje Shirgaon is within the eco-sensitive area of the Koyna Wildlife Sanctuary.

II. While the land is suitable for wildlife management, certain regions with steep cliffs cannot accommodate a 10-year afforestation plan. Conditions for approval include conducting a survey, demarcating boundaries, updating land records, and transferring the encumbrance-free land to the Forest Department within one year.

12. That the Deputy Conservator of Forest, Central Chanda, on 18/07/2022, recommended the Petitioner's proposal for diversion of 185.83 Hectare Forest Land for the Gojoli Mining Lease subject to the following conditions:

I. Compliance with eco-sensitive zone guidelines of the Kanhargaon Wildlife Sanctuary, following the Supreme Court ruling of 03.06.2022.

II. Submission of a wildlife mitigation plan due to the proximity to wildlife areas.

III. Provision of three patrolling and three inspection vehicles for wildlife protection.

IV. Allocation of funds for constructing a check post and office at a designated range headquarters.

13. That on 16/08/2022, the Impact Assessment Division of MoEF&CC considered the proposal for Terms of Reference (TOR) of the Petitioner, but the proposal was deferred for want of comments from National Tiger Conservation Authority w.r.t. Tiger Corridor and from the State authorities for wildlife corridor / clearance.

14. Since a part of the area under the Letter of Intent falls within 1 km of the sanctuary resulting in restrictions on mining operations and loss of about 69 Hectare of limestone block area with a limestone reserves potential of about 13 millions tons, the Petitioner made an application seeking wildlife clearance from National Board for Wildlife (NBWL).

15. Thereafter, the Petitioner sent a letter to Chief Conservator of Forest (CCF), Territorial, Chandrapur on 05/09/2022, with a copy to Principal Chief Conservator of Forest (PCCF) Wildlife & National Tiger

Conservation Authority (NTCA), seeking comments and authentication on distance and map with respect to tiger corridor from the mine lease and wildlife corridor.

16. The Petitioner filed a proposal in Form-A before the Central Government seeking prior approval under Section 2 of the Forest Conservation Act, 1980.

17. The petitioner applied on 31/05/2023, to the respondent No.2 for an extension of the validity period of the Letter of Intent (LOI) for the Gojoli Mineral Block.

18. The respondent No.2 sent a communication on 13/10/2023 to the respondent No.1 stating that the request of the petitioner of extending the validity of the Letter of Intent may be considered for approval.

19. The Petitioner again sent a communication to Respondent No. 3 on 06/06/2024, citing the lack of response and continued delays in executing and commencing mining operations at the Gojoli Mineral Block.

20. The Petitioner sent a letter on 30/09/2024, to the Principal Secretary(PS) (Revenue and Forest Department), Government of Maharashtra requesting them to intervene so that the proposal of extension of Letter of Intent by the Petitioner could be expeditiously processed.

21. The Petitioner filed Writ Petition No.393 of 2025 before this Court *inter alia* seeking directions to the Respondent to extend the validity period of Letter of Intent dated 10/09/2020, for a period of two years, with a further prayer that such period of two years to be counted from the date of grant of such extension.

22. The Respondent No.2, vide its letter dated 04/04/2025, chose to positively consider the Petitioner's extension to the extent of accepting the case of the Petitioner for grant of two years' extension. However, while deciding the extension application of the Petitioner, Respondent No.2 assumed that the Petitioner has sought extension of Letter of Intent only up to 09/09/2025 and accordingly granted extension of Letter of Intent only upto 09/09/2025.

23. While disposing of the the Writ Petition No.393 of 2025 this Court permitted the petitioner to approach Respondent No.2 and make a fresh representation for grant of extension for the period for which it is entitled to receive extension, with a direction to Respondent No.2 to decide the representation/ application on or before 02/09/2025.

24. In terms of the aforesaid directions passed by this Court, the Petitioner submitted a detailed representation dated 14/08/2025.

25. Respondent No.2 vide its letter dated 01/09/2025, declined to grant an extension of Letter of Intent in favour of the Petitioner beyond 09/09/2025, stating that the total period of Letter of Intent is five consecutive years.

Hence, this petition.

26. Shri Garg, learned Senior Advocate argues that the period of three years of Letter of Intent was from 10/09/2020 to 09/09/2023 and much before the said period on 31/05/2023, an application for extension of period of Letter of Intent by further period of two years, was submitted to the Principal Secretary, Department of Industry, Energy and Labour, Government of Maharashtra. It is argued that no decision was taken for

about 23 months and on 04/04/2025, the extension was granted till 09/09/2024 and not for two years from the date of such letter. It is submitted that Rule 10(6) of the Mineral (Auction) Rules, 2015 (hereinafter referred to “the Rules of 2015”) has been erroneously interpreted and thereby refused to grant extension beyond 09/09/2024.

27. It is argued that though the application of the petitioner for extension was under Rule 10(6) of the Rules 2015 and the State has power to extend the period of Letter of Intent for five years, by misinterpreting Rule 10(6) of the Rules 2015, the request of the petitioner for extension of the period of Letter of Intent was forwarded to the Central Government holding that the power to grant extension beyond five years lies with the Central Government. It is argued that the petitioner never applied to the Central Government for grant of extension beyond five years and therefore, referring the request of the petitioner by the State on its own to the Central Government is, in fact, amounts to curtailing the period of extension by two years. It is, therefore, argued that denial of extension of period of Letter of Intent by the State, is contrary to law.

28. On the other hand, Shri D.V. Chauhan, learned Senior Advocate and Government Pleader argues that under Rule 10(6) maximum period with extension is five years and beyond that the power lies with the Central Government and therefore, to help out the petitioner, the State Government has forwarded the proposal of the petitioner for extension of time to the Central Government. It is therefore, argued that the State has committed no illegalities. He, accordingly, prays for dismissal of the petition.

29. From the rival contentions, it is evident that the whole controversy revolves around the interpretation of Rule 10 of the Rules of 2015.

30. Let us refer to the relevant portion of Rule 10 of the Rules of 2015, which read thus:

“10. Grant of Mining Lease.- (1) The preferred bidder shall submit the first instalment 1[of the upfront payment as per rule 11 within fifteen days after being declared as preferred bidder:

Provided that the State Government may, for reasons to be recorded in writing extend the period of fifteen days by further fifteen days.]

*(1A) In case the preferred bidder fails to submit the first instalment of the upfront amount within the period or extended period specified in sub-rule (1), the State Government shall,—
(a) forfeit the bid security of the preferred bidder; and*

(b) offer the bidder who had submitted the second-highest price offer in the second round of auction to meet the highest final price offer and if the said bidder agree to the said offer in writing and submit the first instalment of upfront amount within fifteen days of receipt of offer, the State Government shall declare said bidder as the preferred bidder and issue letter of intent in accordance with sub-rule (2):

Provided that the State Government may, for the reasons to be recorded in writing, extend the period of fifteen days referred to in this clause by further fifteen days.

(2) Upon receipt of the first instalment of the upfront payment, the State Government shall issue a letter of intent to the preferred bidder [within fifteen days of receipt of first instalment of upfront payment.]

(3) The preferred bidder shall be considered to be the “successful bidder” upon,-

(a) continuing to be in compliance with all the terms and conditions of eligibility;

(b) payment of the second instalment of the upfront payment;

(c) furnishing performance security as specified in rule 12;

(d) satisfying the conditions specified in clause (b) of sub-section (2) of section 5 with respect to a mining plan:

Provided that, in case of auction of mining leases under Sub-sections (5) and (6) of Section 8A of the Act, the vesting order issued under Rule 9A of the Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2016 shall be applicable; and”;

(e) satisfying such other conditions as may be specified by the State Government with the prior approval of the Central Government.

(4) The successful bidder shall sign the Mine Development and Production Agreement with the State Government upon obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of mining operations.

(5) The successful bidder shall pay the third instalment of the upfront payment subsequent to execution of the Mine Development and Production Agreement, and upon such payment the State Government shall grant a mining lease to the successful bidder.

(6) The Mining Lease Deed shall be executed by the State Government within thirty days of the date of completion of the conditions specified in sub-rule (5) and shall be subject to the provisions of the Act and the rules made thereunder.

[Provided that no Mining Lease Deed shall be executed on expiry of a period of three years from the date of the letter of intent, and the letter of intent shall be invalidated leading to annulment of the entire process of auction:

Provided further that the State Government may allow a further period of two years for execution of the Mining Lease Deed if the reasons for delay were beyond the control of the preferred bidder.

7.

8.”

31. The golden rule of interpretation is that the words of a statute have to be read and understood in their natural, ordinary and popular sense.

32. From the language of the above referred provisions, it is evident that sub-rules (1) to (5) of Rule 10 of the Rules of 2015 are the compliances which are required to be made by every Preferred Bidder to reach to the stage of execution of the Mining Lease Deed.

33. We are of the opinion that we shall consider the sub-rules (4) to (6) of Rule 10 in reverse order, to understand it properly.

34. Sub-rule (6) of Rule 10 of the Rules of 2015 says that the Mining Lease Deed shall be executed by the State Government within

thirty days of the date of completion of the conditions specified in sub-rule (5) of Rule 10 of the Rules of 2015, provided that no Mining Lease Deed shall be executed on expiry of a period of three years from the date of the letter of intent. Provided further that the State Government may allow a further period of two years for execution of the Mining Lease Deed if the reasons for delay were beyond the control of the preferred bidder.

35. Sub-rule (5) of Rule 10 of the Rules of 2015 contemplates payment of third installment of up-front payment subsequent to execution of Mine Development and Production Agreement under sub-rule(4) of Rule 10 of the Rules of 2015.

36. Sub-rule (4) of Rule 10 of the Rules of 2015 puts a condition for execution of Mine Development and Production Agreement i.e. fulfillment of the condition of consents, approvals, permits, no-objections and the like as may be required under the applicable laws for commencement of mining operations.

37. Thus, it is evident that no mining lease deed can be executed unless Mine Development and Production Agreement is executed upon

all the compliances as specified in sub-rule (4) and payment of third installment of the upfront payment under sub-rule (5). Furthermore, Mine Development and Production Agreement shall be signed by the successful bidder. It may be noted that the Preferred Bidder shall be considered as the successful bidder, on fulfilling conditions as stipulated under sub-rule (3) of Rule 10 of the Rules of 2015.

38. Thus, the essence of above discussion is that unless sub-rules (3) to (5) are complied with no mining lease deed can be executed under sub-rule (6) of Rule 10 of the Rules of 2015. Moreover, the three years' period provided under first proviso to sub-rule (6) of Rule 10 of the Rules of 2015, is to be calculated from the date of Letter of Intent, which is extendable by two years subject to satisfying that the reasons for delay in making compliances, were beyond the control of the Preferred Bidder.

39. It is imperative to note that the expression used in second proviso to sub-rule (6) "further period of two years for execution of mining lease deed" makes it clear that the period of three years as per the first proviso and the extendable period of two years as provided in second proviso to sub-rule (6) is for the execution of the mining lease deed which

is subject to making of compliances as stipulated under sub-rules (3) to (5) of Rule 10 of the Rules of 2015. It is further evident that such compliances are to be made after issuance of the Letter of Intent under sub-rule (2) of Rule 10 of the Rules of 2015, only.

40. Thus, we have no hesitation to hold that the period of five years, including the extendable period, is provided to make compliances by the successful bidder as stipulated under sub-rules (3) to (5) of Rule 10 of the Rules of 2015. In other words, it can be said that the intention of the legislature is to provide three years period for the above referred compliances of sub-rules (3) to (5) to execute mining lease and in case where there is a delay in making such compliances and the reasons for delay were beyond the control of the preferred bidder, it is extendable by two years. The extendable period of two years shall also therefore, be treated as a period granted for making such compliances, which could not be made for certain reasons within three years and which were beyond the control of the Preferred Bidder.

41. In the circumstances, once the authority is satisfied that there are reasons for delay which were beyond the control of the Preferred Bidder, the period extendable shall be of two years and the same cannot

be curtailed as the second proviso to sub-rule (6) of Rule 10 of the Rules of 2015 does not use the expression “up to two years”. Hence, no discretion is given to the concerned authority to reduce the extendable period of two years.

42. In the matter at hand, admittedly three years period from the date of issuance of letter of intent was to be lapsed on 09/09/2023 and before lapsing of the same on 31/05/2023, an application for grant of extension for two years was made, stating therein the reasons for delay which were beyond the control of the petitioner. Admittedly, despite sufficient time was available with the respondent /State before last date of expiry of three years’ from the date of Letter of Intent, no decision was taken before such period. The respondent/State after a period of 23 months from the date of making an application for grant of extension, granted extension on 04/04/2025. The said extension was granted up to 09/09/2025.

43. Thus, it is evident that in reality extension granted was not for the period of two years as contemplated under second proviso to sub-rule (6) of Rule 10 of the Rules of 2015 but it was for about five months i.e. from 04/04/2025 to 09/09/2025.

44. It is thus evident that, the interpretation of second proviso to sub-rule (6) as made by the respondent/ State is that such extension of two years shall be considered from the date of lapsing of the period of three years even if such extension is granted after lapse of three years.

45. We are of the opinion that the Preferred Bidder shall get complete period of two years of extension to make compliance as stipulated in sub-rules (3) to (5) of Rule 10 of the Rules of 2015. Whereas, contrary to this, as per State, such period of extension is to be counted from the date of lapses of the period of three years, even if extension was granted after expiry of three years.

46. Therefore, it is imperative to ponder upon whether the State was right in granting the extension only up to 09/09/2025 or it ought to have granted for two years from 04/04/2025.

47. Since as referred above two interpretations are being discussed, we are of the opinion that as per the well settled principle of law 'purposive construction' needs to be adopted in this case. The Hon'ble Supreme Court of India in the case of *Shailesh Dhairyawan ..vs.. Mohan Balkrishna Lulla*, reported in (2016) 3 SCC 619 has held thus :

“31. The aforesaid two reasons given by me, in addition to the reasons already indicated in the judgment of my learned Brother, would clearly demonstrate that the provisions of Section 15(2) of the Act require purposive interpretation so that the aforesaid objective/purpose of such a provision is achieved thereby. The principle of “purposive interpretation” or “purposive construction” is based on the understanding that the court is supposed to attach that meaning to the provisions which serve the “purpose” behind such a provision. The basic approach is to ascertain what is it designed to accomplish? To put it otherwise, by interpretative process the court is supposed to realise the goal that the legal text is designed to realise. As Aharon Barak puts it:

“Purposive interpretation is based on three components : language, purpose, and discretion. Language shapes the range of semantic possibilities within which the interpreter acts as a linguist. Once the interpreter defines the range, he or she chooses the legal meaning of the text from among the (express or implied) semantic possibilities. The semantic component thus sets the limits of interpretation by restricting the interpreter to a legal meaning that the text can bear in its (public or private) language.” [Aharon Barak, Purposive Interpretation in Law (Princeton University Press, 2005).]

32. Of the aforesaid three components, namely, language, purpose and discretion “of the court”, insofar as purposive component is concerned, this is the ratio juris, the purpose at the core of the text. This purpose is the values, goals, interests, policies and aims that the text is designed to actualise. It is the function that the text is designed to fulfil.

33. We may also emphasise that the statutory interpretation of a provision is never static but is always dynamic. Though the literal rule of interpretation, till some time ago, was treated as the “golden rule”, it is now the doctrine of purposive interpretation which is predominant, particularly in those cases where literal interpretation may not serve the purpose or may lead to absurdity. If it brings about an end which is at variance with the purpose of statute, that cannot be countenanced. Not only legal process thinkers such as Hart and Sacks rejected intentionalism as a grand strategy for statutory interpretation, and in its place they offered purposivism, this principle is now widely applied by the courts not only in this country but in many other legal systems as well.”

48. The Hon'ble Supreme Court of India in the case of *Grid Corp. of Orissa Ltd. vs. Eastern Metals & Ferro Alloys*, reported in (2011) 11 SCC 334 has held thus :

*“25. ... The golden rule of interpretation is that the words of a statute have to be read and understood in their natural, ordinary and popular sense. Where however the words used are capable of bearing two or more constructions, it is necessary to adopt purposive construction, to identify the construction to be preferred, by posing the following questions: (i) What is the purpose for which the provision is made? (ii) What was the position before making the provision? (iii) Whether any of the constructions proposed would lead to an absurd result or would render any part of the provision redundant? (iv) Which of the interpretations will advance the object of the provision? The answers to these questions will enable the court to identify the purposive interpretation to be preferred while excluding others. Such an exercise involving ascertainment of the object of the provision and choosing the interpretation that will advance the object of the provision can be undertaken, only where the language of the provision is capable of more than one construction. (See Bengal Immunity Co. Ltd. v. State of Bihar [AIR 1955 SC 661 : (1995) 2 SCR 603] and Kanai Lal Sur v. Paramnidhi Sadhukhan [AIR 1957 SC 907 : 1958 SCR 360] and generally Justice G.P. Singh's *Principles of Statutory Interpretation*, 12th Edn., published by Lexis Nexis, pp. 124 to 131, dealing with the rule in Heydon case [(1584) 3 Co Rep 7a : 76 ER 637].)”*

49. Thus, it is evident from the above referred authorities that where the words used are capable of bearing two or more constructions, it is necessary to adopt 'purposive construction' and while doing so, certain questions should be posed viz. (i) What is the purpose for which the provision is made? (ii) What was the position before making the provision? (iii) Whether any of the constructions proposed would lead to an absurd result or would render any part of the provision redundant? (iv)

Which of the interpretations will advance the object of the provision?

The answers to these questions will enable the court to identify the purposive interpretation to be preferred while excluding others.

50. Thus, from the above referred well settled principles of law, we are of the opinion that the discussion made herein above holding that the period of extension under second proviso to sub-rule (6) of Rule 10 of the Rules of 2015 shall not be less than two years in any case, will only advance the object of the provision and the construction as made by the State Government would lead to absurd result and would render the second proviso to sub-rule (6) redundant.

51. In the circumstances, by adopting the purposive interpretation, we hold that the State has committed an error in granting less than two years' period from the date of letter of extension i.e. 04/04/2025 and thereby denied the benefit of extension of time to the petitioner to execute the mining lease deed.

52. Accordingly, we pass the following order:

- i) Impugned letter dated 01/09/2025, issued by respondent No.2- State of Maharashtra, is hereby quashed and set aside.

- ii) The letter dated 04/04/2025 issued by respondent No.2-State of Maharashtra is hereby quashed and set aside to the extent it grants a period of extension for a period less than two years.
- iii) The respondent No.2 is directed to grant extension to the petitioner for a period of two years, excluding the period from 04/04/2025 to 09/09/2025 to comply the specified conditions of sub-rule (5) of Rule 10 of the Mineral (Auction) Rules, 2015 for execution of the mining Lease Deed.

Rule is made absolute accordingly. In the circumstances, there shall be no order as to costs.

(RAJNISH R. VYAS, J)

(ANIL S. KILOR, J)

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