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IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

A.S. BOPANNA; J., M.M. SUNDRESH; J.

CIVIL APPEAL NOS. 1162-1171 of 2016; August 01, 2023

THE STATE OF RAJASTHAN & ORS. VERSUS SHARWAN KUMAR KUMAWAT ETC. ETC

Mines and Minerals (Development and Regulation) Act, 1957; Section 15 - Appeals seek to overturn the decision of the High Court declaring Rule 4 (10) and Rule 7 (3) of the Rajasthan Minor Mineral Concession Rules, 1986 as unconstitutional. Held, in any case, the decisions of the High Court rendered earlier do not stand in the way of the impugned amendments. They were with respect to sandstone alone, while in the impugned judgment the High Court applied it to all the minor minerals. In the decision rendered by the High Court dated 13.03.2013 all the applications were directed to be considered as per the amended Rules. In fact, the reasoning of the High Court in the impugned order is contrary to the earlier order passed. The impugned Rules have been introduced in exercise of the power conferred under Section 15 of the 1957 Act. There is neither a right nor it gets vested through an application made over a government land. Law does not facilitate hearing the parties in bringing an amendment by an authority competent to do so. The High Court has totally misconstrued the issues ignoring the fact that there is a delegation of power to the first appellant which was rightly exercised as conferred under Section 15 of the 1957 Act. For the foregoing reasons, we have no hesitation in setting aside the impugned judgments. (Para 22)

Mines and Minerals - Vested Right - It is far too settled that there is no right vested over an application made which is pending seeking lease of a government land or over the minerals beneath the soil in any type of land over which the Government has a vested right and regulatory control. In other words, a mere filing of an application ipso facto does not create any right. The power of the Government to amend, being an independent one, pending applications do not come in the way. For a right to be vested there has to be a statutory recognition. Such a right has to accrue and any decision will have to create the resultant injury. When a decision is taken by a competent authority in public interest by evolving a better process such as auction, a right, if any, to an applicant seeking lease over a government land evaporates on its own. An applicant cannot have an exclusive right in seeking a grant of license of a mineral unless facilitated accordingly by a statute. (Para 17)

Mines and Minerals - No fundamental right in mining. (Para 18)

Legitimate Expectation - Principles of - Legitimate expectation is a weak and sober right as ordained by a statute. When the Government decides to introduce fair play by way of auction facilitating all eligible persons to contest on equal terms, certainly one cannot contend that he is entitled for a lease merely on the basis of a pending application. The right being not legal, apart from being non-existent, it can certainly not be enforceable. (Para 19 - 20)

Rajasthan Minor Mineral Concession Rules, 1986; Rule 4 (10) and Rule 7 (3) - Legal Malice – Amendment made vide Notification dated 28.01.2011 to Rule 4 and 7 - It is contended that the impugned Rules have been brought forth only to nullify the effect of the judgments. The Appellants have duly complied with the orders passed. Even otherwise, law is quite settled that basis of a judgment can be removed and a decision of the court cannot be treated like a statute, particularly when power is

available to act and it is accordingly exercised in public interest. In such view of the matter, do not find any legal malice in the amendments. (Para 21)

WITH C.A. Nos. 1212-1214/2016 C.A. Nos. 1207-1211/2016 C.A. Nos. 1202-1206/2016 C.A. Nos. 1182-1186/2016 C.A. Nos. 1172-1176/2016 C.A. Nos. 1177-1181/2016 C.A. Nos. 1187-1189/2016 C.A. Nos. 1197-1199/2016 C.A. Nos. 1195-1196/2016 C.A. Nos. 1200-1201/2016 C.A. Nos. 1190-1194/2016

For Appellant(s) Mr. Irshad Ahmad, AOR Dr. Manish Singhvi, Sr. Adv. Mr. Arpit Parkash, Adv. Ms. Shubhangi Agarwal, Adv. Mr. Apurv S., Adv. Mr. Milind Kumar, AOR

For Respondent(s) Ms. Shobha Gupta, AOR Ms. Ankita Gupta, Adv. Ms. Tarjana Rai, Adv. Mr. Rana Ranjit Singh, AOR Mr. Vivek Kumar Singh, Adv. Ms. Akanksha Singh, Adv. Mr. Ravish Singh, Adv. Mr. Avijeet Kumar, Adv. Mr. Ashish Mohan, Adv. Mrs. Ashish Mohan, Adv. Mr. Ashutosh Dubey, AOR Mr. Abhishek Chauhan, Adv. Ms. Rajshri Dubey, Adv. Mr. H.B. Dubey, Adv. Mr. Amit P. Shahi, Adv. Mr. Amit Kumar, Adv. Mr. Gaurav Yadav, Adv. Mr. Anuj Bhandari, AOR Mr. Gaurav Jain, Adv. Mr. Rajat Gupta, Adv. Mrs. Disha Bhandari, Adv. Mrs. Anjali Doshi, Adv. Mr. Vipin Kumar Jai, AOR Ms. Namita Choudhary, AOR

J U D G M E N T

M.M. SUNDRESH, J.

1. In all these appeals the Appellants seek to overturn the decision of the Division Bench of the Rajasthan High Court, Jaipur Bench declaring sub-rule (10) of Rule 4 and sub-rule (3) of Rule 7 of the Rajasthan Minor Mineral Concession Rules, 1986 (hereinafter referred to as “the Rules”) as unconstitutional.

2. Heard Dr. Manish Singhvi, learned Senior Advocate, appearing for the Appellants and Ms. Shobha Gupta, learned Advocate-on-Record & Ms. Ankita Gupta, learned Advocate, appearing for the Respondents.

A VISIT TO THE RULES:

3. The Rules were brought into statute by the first appellant in exercise of the powers conferred by Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as “1957 Act”) for regulating the grant of quarry licenses, mining leases and other mineral concessions *qua* minor minerals. Chapter II of the Rules deals with grant of leases. Rule 7 speaks of preferential rights of certain persons. As per the said Rule, in existence prior to the amendment made on 28.01.2011, one applicant shall have a preferential right over the others on the sole basis of his application being made prior in point of time. This preferential right was not made available when an application is received from a Government Company or Corporation. It is to be noted, that this Rule does not stand in the way of the first appellant in making appropriate amendments to the Rules in general. Sub-rule (2) of Rule 7 has provided a list of entities, entitled for a lease on an order of priority.

4. The Rules, aforesaid, went through amendments. By way of a Notification dated 28.01.2011, sub-rule (10) had been introduced to Rule 4 placing a condition that there cannot be a mining lease in a Government land excluding marble and granite, unless the area is delineated and thereafter applications are to be invited. However, the proviso went on to say that the applications pending on the date of the Notification shall be disposed of as per the prevailing Rules prior to it. Perhaps this must have been on account of a wrong understanding of the order passed by the High Court.

5. A further amendment was made to Rule 7 by way of substitution of sub-rule (3), “(3) Notwithstanding anything contained in sub-rule (1) and (2) above, the area for mining lease in the Government land for minerals other than Marble and Granite shall be reserved under rule 73, for allotment after delineation. New System shall be effective from the date of the issue of the notification and the applications received prior to notification shall be disposed of as per prevailing

rules in force prior to this notification. Prior to delineation all requisite NOC's shall be procured by the department. Out of these delineated plots 50% shall be allotted by auction and the remaining 50% shall be allotted to the following categories of persons, as per percentage indicated against each category:-

- (i) Persons who undertake to install a crusher / mineral based industry; 10%
- (ii) Manual workers belonging to Scheduled Castes / Scheduled Tribes / Other Backward Classes / Special Backward Class employed in Mines; 5%
- (iii) Manual workers other than Scheduled Castes / Scheduled Tribes / Other Backward Classes / Special Backward Class employed in mines; 5%
- (iv) Persons belonging to Scheduled Castes / Scheduled Tribes / Other Backward Classes / Special Backward Class 20%
- (v) Persons identified as Below Poverty Lines; 10%
- (vi) Ex-soldiers including member of para military forces belonging to Rajasthan, who have been permanently disabled or dependents of those who have died while in service; 5%
- (vii) Rajasthan State Government servants who have been permanently disabled while on duty or the dependents of those who have died while in service; 5%
- (viii) Societies of Unemployed youth of Rajasthan; 30%
- (ix) Other persons; 10%

In the reserved area applications will be invited after 30 days of notification and the applications received within a period of 30 days after 30 days of notification shall be treated as received on the same day. The applications shall be disposed of by way of lottery.

(vi) after the existing sub-rule (4), the following new sub-rule (5) shall be added, namely:-

“(5) If a short term permit application is received from a contractor who has been awarded work for National/State Highway (road construction project) shall be given priority over an application of mining lease received within a period preceding 3 months from date of short term permit application subject to following conditions –

- (a) Short term permit application has been filed within 6 months from the date of award of contract;
- (b) the National/State Highway (road construction project) is not more than 100 km. away from the short term permit area applied for; and (c) short term permit shall be subject to the conditions of rule 63.

Provided that this sub rule (5) shall remain in force till 31st March, 2012 & their after it will be reviewed again by the government.”

6. For the first time, the first appellant thought it fit to introduce the process of auction, while making it clear that the applications received prior to 27.01.2011 shall be disposed of as per the prevailing rules, in force earlier.

7. The Rules aforesaid went through further amendment by way of Notification dated 03.04.2013 by which all the pending applications are to be rejected,

Rule 4 sub-rule (10):

“(10) No mining lease in Government land, including the forest land for which diversion is granted by the Central Government under Forest (Conservation) Act, 1980, shall be granted on an application by the applicant unless the area is delineated and applications are invited by the Government. All the applications which are presented in Government Land upto 27-01-2011, except the application presented by person having preferential right under the rule 3N or sub-rule

(1) of rule 11, in respect of which lease deed as per rule 19 has not been executed shall be rejected.”

Rule 7 sub-rule (1):

“7. Procedure for grant of lease:- (1) In Government land, the mining lease shall be granted after the area is first delineated, plots suitably numbered and a notification inviting application is published in two daily newspapers, at least one of which is state level and other having wide publicity in the area where lease are being allotted. The notification shall be published at least 30 days before the intended date of inviting applications and shall contain the date or the period within which applications shall be received. Out of these delineated plots of committee constituted under sub-rule (3) of rule 23A shall reserve 50% of plots which shall be allotted by auction/tender and the remaining 50% shall be allotted by way of lottery to the following categories of persons as per percentage mentioned against each category:-

- (i) Persons who undertake to install a crusher / mineral based industry; 10%
- (ii) Manual workers and widows of manual workers belonging to Scheduled Castes/Scheduled Tribes/Other Backward Classes/Special Backward Class employed in Mines; 5%
- (iii) Manual workers and widows of manual workers other than Scheduled Castes/Scheduled Tribes/Other Backward Class/Special Backward Class employed in mines; 5%
- (iv) Persons belonging to Scheduled Castes/ Schedule Tribes / 20% Other Backward Class / Special Backward Class;
- (v) Persons identified as “Below Poverty Line”; 10%
- (vi) Freedom fighter/Ex-soldiers including members of para military forces belonging to Rajasthan who have been permanently incapacitated or dependents of those who have died while in service; 5%
- (vii) Rajasthan State Government servants who have been permanently disabled while on duty or the dependents of those who have died while in service; 5%
- (viii) Persons with disabilities (disabled persons) other than those covered in Categories (vi) & (vii) above; 5%
- (ix) Societies of Unemployed youth of Rajasthan; and 25%
- (x) Other persons: 10%

Provided that mining leases for mineral bajri shall only be granted by way of tender or auction.”

8. We have been informed at the Bar by Dr. Singhvi, that even these Rules underwent further amendments creating a new procedure by way of e-auction. While taking note of the said submission, we do not wish to say anything on that count.

9. In conclusion, the impugned Rules undertake two exercises; the process of auction as existed earlier, and creation of a level playing field by declaring all the pending applications, meant to be considered on a first-come first-serve basis, as rejected.

BACKGROUND FACTS:

10. Applications were invited for leasing out minor minerals by the Appellants vide Notification dated 23.05.2003. Scores of persons made their applications. The Notification dated 23.05.2003 was followed by Notification dated 24.04.2007 declaring the applications made for four villages *qua* sandstone as rejected in exercise of the power conferred under Rule 65A of the Rules. An exercise of delineation was expected to be undertaken followed by fresh applications. Thus, this Notification, and the subsequent Notification, are area centric, restricted to four villages and that too for sandstone and also masonry stone which is nothing but a by-product of the former. Writ petitions were filed by

some of the applicants before the High Court of Rajasthan. They were accordingly allowed, *inter-alia* holding that such a restriction applied only for four districts alone and cannot be sustained in the eye of law as there is no material available to invoke Rule 65A of the Rules in the purported interest of mineral development. While quashing the Notification dated 24.04.2007, the High Court specifically directed the Appellants to revive the applications of the writ petitioners therein and to consider them in accordance with law.

11. After the orders passed by the High Court on 21.05.2009, amendments were made to the Rules vide Notification dated 28.01.2011, as noted by us earlier. Thereafter, in compliance with the order of the High Court, a Government Order was passed on 16.11.2011 facilitating the relief to such of those applicants who approached the High Court. A consequential Government Order was also passed on 28.11.2011 for payment of royalty by masonry stone applicants before grant of any lease. These two orders were put into challenge by certain other applicants other than the writ petitioners in the earlier round, *inter-alia* contending that the same benefits will have to be extended to them as well.

12. The High Court passed an order, dated 13.03.2013, holding that the earlier decision will have to be construed as a decision in *rem* but subject to the rider that all the pending applications ought to be considered in accordance with the amendment made vide Notification dated 28.01.2011 to Rule 4 and 7,

“(i) That the respondent State shall undertake the exercise of delineating, demarcating and specifying all the mining areas available for the Sandstone and Masonry Stone within a period of six months as undertaken by the learned Addl. Advocate Generals, on behalf of the State.

(ii) Thereafter, the State Government will re-notify such delineated areas for grant of mining leases for sandstone and masonry stone, as the case may be, with the stipulation & condition that payment of Royalty and dead rent applicable for the sandstone in case sandstone is also found available in the mining lease granted for masonry stone.

(iii) That all the applications hitherto filed for such mining leases shall be treated as revived and with further applications, which may now be filed upon such re-notification of delineated areas available for grant of mining leases for sandstone and masonry stone. The earlier applicants will be at liberty to withdraw their earlier applications & file fresh applications also in pursuance of such renotification.

(iv) That as per the submission of State Government vide para 10 (viii) above that State has not taken any action in pursuance of the impugned orders so far, it is directed that no mining leases for sandstone & masonry stone will be granted in pursuance of the impugned orders Annex.11 dated 16/11/2011 and Annex.13 dated 28/11/2011 till all such applications are decided as per the directions given in this judgment.

(v) That all the applications will be decided within one year from today in accordance with the amended Rule 7(3) of the MMCR, 1986 on the basis of lottery or by way of auction, as may be considered appropriate by the State Government but not on the basis of ‘first come first served’ principle.”

13. As in the case of the first round of litigation, in the second round also the orders passed were not put into challenge and therefore both became final. Suffice it is to note that the High Court did not grant the relief to the petitioners by directing the Appellants to adopt first-come first-serve basis for the grant of a mining lease, but only as per the amended rule.

14. Taking a cue from the orders passed, a further Notification was issued on 03.04.2013 introducing the impugned amendments. As stated, all the applications were declared as rejected while facilitating grant of 50% of the leases through auction except

for categories mentioned thereunder as entitled for preference. By the impugned orders, the Division Bench of the High Court declared the amendments as illegal on three primary grounds, namely; the applicants have not been heard, and their applications ought to be revived in view of the earlier orders passed by the Court on the principle of legitimate expectation and rights having vested in them.

SUBMISSION OF THE APPELLANTS:

15. Dr. Singhvi, learned Senior Advocate appearing for the Appellants, submitted that the earlier decisions of the High Court pertain to minor minerals and sandstone alone and that too with specific reference to four districts. The High Court, in the impugned order did not take note of this fact but struck down the Rules *in toto* meant to be applied for all the minor minerals. The earlier decisions of the High Court were duly complied with, and therefore the finding to the contrary is factually incorrect. There is no preferential right available to claim it as vested. The Respondents cannot have a fundamental right in mining. The High Court is wrong in going into the principles governing Legitimate Expectation and Natural Justice in a case involving amendments by way of introduction of new Rules through the process of substitution. He further goes on to state that the impugned orders are liable to be set aside as they would stand in the way of the new amended Rules being given effect to, meant for all the minor minerals in the State.

SUBMISSION OF THE RESPONDENTS:

16. Ms. Shobha Gupta, learned Advocate-on-Record, & Ms. Ankita Gupta, learned Advocate appearing for the Respondents, submitted that the High Court was right in holding that the impugned amendments are nothing but an attempt to overreach the earlier decision of the Court. There is no justification for keeping the applications pending for decades. Had the applications been considered earlier, leases would have been granted. The areas sought for mining by the Respondents are not very huge in extent and therefore their applications ought to be considered under the then relevant rules in existence. There is malice in law through the introduction of the impugned rules.

DISCUSSION:

Vested Right

17. It is far too settled that there is no right vested over an application made which is pending seeking lease of a Government land or over the minerals beneath the soil in any type of land over which the Government has a vested right and regulatory control. In other words, a mere filing of an application *ipso facto* does not create any right. The power of the Government to amend, being an independent one, pending applications do not come in the way. For a right to be vested there has to be a statutory recognition. Such a right has to accrue and any decision will have to create the resultant injury. When a decision is taken by a competent authority in public interest by evolving a better process such as auction, a right, if any, to an applicant seeking lease over a Government land evaporates on its own. An applicant cannot have an exclusive right in seeking a grant of license of a mineral unless facilitated accordingly by a statute. **State of Tamil Nadu v. Hind Stone & Others, (1981) 2 SCC 205** : -

“13. Another submission of the learned counsel in connection with the consideration of applications for renewal was that applications made sixty days or more before the date of G.O.Ms No. 1312 (December 2, 1977) should be dealt with as if Rule 8-C had not come into force. It was also contended that even applications for grant of leases made long before the date of G.O.Ms No. 1312 should be dealt with as if Rule 8-C had not come into force. The submission was that it was not open to the government to keep applications for the grant of leases and applications for

renewal pending for a long time and then to reject them on the basis of Rule 8-C notwithstanding the fact that the applications had been made long prior to the date on which Rule 8-C came into force. **While it is true that such applications should be dealt with within a reasonable time, it cannot on that account be said that the right to have an application disposed of in a reasonable time clothes an applicant for a lease with a right to have the application disposed of on the basis of the rules in force at the time of the making of the application. No one has a vested right to the grant or renewal of a lease and none can claim a vested right to have an application for the grant or renewal of a lease dealt with in a particular way, by applying particular provisions. In the absence of any vested rights in anyone, an application for a lease has necessarily to be dealt with according to the rules in force on the date of the disposal of the application despite the fact that there is a long delay since the making of the application. We are, therefore, unable to accept the submission of the learned counsel that applications for the grant of renewal of leases made long prior to the date of G.O.Ms No. 1312 should be dealt with as if Rule 8C did not exist.”**

(emphasis supplied)

Fundamental Right

18. The question of applicants not having fundamental right in mining is no longer *res integra*, **Monnet Ispat & Energy Ltd. v. Union of India, (2012) 11 SCC 1** may shed some light,

“No fundamental right in mining

133. The appellants have applied for mining leases in a land belonging to the Government of Jharkhand (erstwhile Bihar) and it is for iron ore which is a mineral included in Schedule I to the 1957 Act in respect of which no mining lease can be granted without the prior approval of the Central Government. **It goes without saying that no person can claim any right in any land belonging to the Government or in any mines in any land belonging to the Government except under the 1957 Act and the 1960 Rules. No person has any fundamental right to claim that he should be granted mining lease or prospecting licence or permitted reconnaissance operation in any land belonging to the Government. It is apt to quote the following statement of O. Chinnappa Reddy, J. in *Hind Stone* [(1981) 2 SCC 205] (SCC p. 213, para 6) albeit in the context of minor mineral,**

“ 6. ... The public interest which induced Parliament to make the declaration contained in Section 2 ... has naturally to be the paramount consideration in all matters concerning the regulation of mines and the development of minerals”.

He went on to say: (*Hind Stone case* [(1981) 2 SCC 205] , SCC p. 217, para 10)

“ 10. ... The statute with which we are concerned, the Mines and Minerals (Development and Regulation) Act, is aimed ... at the conservation and the prudent and discriminating exploitation of minerals. Surely, in the case of a scarce mineral, to permit exploitation by the State or its agency and to prohibit exploitation by private agencies is the most effective method of conservation and prudent exploitation. If you want to conserve for the future, you must prohibit in the present.”

(emphasis supplied)

Legitimate Expectation

19. Legitimate expectation is a weak and sober right as ordained by a statute. When the Government decides to introduce fair play by way of auction facilitating all eligible persons to contest on equal terms, certainly one cannot contend that he is entitled for a lease merely on the basis of a pending application. The right being not legal, apart from being non-existent, it can certainly not be enforceable. The principle of law on these aspects, as

settled decades ago in **State of T.N. v. Hind Stone (1981) 2 SCC 205**, is being reiterated from time to time. **Monnet Ispat & Energy Ltd. (supra) : -**

“Principles of legitimate expectation

183. As there are parallels between the doctrines of promissory estoppel and legitimate expectation because both these doctrines are founded on the concept of fairness and arise out of natural justice, it is appropriate that the principles of legitimate expectation are also noticed here only to appreciate the case of the appellants founded on the basis of the doctrines of promissory estoppel and legitimate expectation.

xxx xxx xxx

188. It is not necessary to multiply the decisions of this Court. Suffice it to observe that the following principles in relation to the doctrine of legitimate expectation are now well established:

xxx xxx xxx

188.3. Where the decision of an authority is founded in public interest as per executive policy or law, the court would be reluctant to interfere with such decision by invoking the doctrine of legitimate expectation. The legitimate expectation doctrine cannot be invoked to fetter changes in administrative policy if it is in the public interest to do so.

188.4. The legitimate expectation is different from anticipation and an anticipation cannot amount to an assertable expectation. Such expectation should be justifiable, legitimate and protectable.

188.5. The protection of legitimate expectation does not require the fulfilment of the expectation where an overriding public interest requires otherwise. In other words, personal benefit must give way to public interest and the doctrine of legitimate expectation would not be invoked which could block public interest for private benefit.”

(emphasis supplied)

20. Kerala State Beverages (M AND M) Corporation Limited v. P.P. Suresh, (2019) 9 SCC 710 : -

“B. Legitimate expectation

14. The main argument on behalf of the respondents was that the Government was bound by its promise and could not have resiled from it. They had an indefeasible legitimate expectation of continued employment, stemming from the Government Order dated 20-2-2002 which could not have been withdrawn. It was further submitted on behalf of the respondents that they were not given an opportunity before the benefit that was promised, was taken away. To appreciate this contention of the respondents, it is necessary to understand the concept of legitimate expectation.

15. The principle of legitimate expectation has been recognised by this Court in *Union of India v. Hindustan Development Corpn.* [(1993) 3 SCC 499] If the promise made by an authority is clear, unequivocal and unambiguous, a person can claim that the authority in all fairness should not act contrary to the promise.

16. M. Jagannadha Rao, J. elaborately elucidated on legitimate expectation in Punjab Communications Ltd. v. Union of India [(1999) 4 SCC 727]. He referred (at SCC pp. 741-42, para 27) to the judgment in

Council of Civil Service Unions v. Minister for the Civil Service [1985 AC

374 : (1984) 3 WLR 1174 : (1984) 3 All ER 935 (HL)] in which Lord Diplock had observed that for a legitimate expectation to arise, the decisions of the administrative authority must affect the person by depriving him of some benefit or advantage which,

“ 27 (i) he had in the past been permitted by the decision-maker to enjoy and which he can legitimately expect to be permitted to continue to do until there have been

communicated to him some rational grounds for withdrawing it on which he has been given an opportunity to comment; or (ii) he has received assurance from the decision-maker that they will not be withdrawn without giving him first an opportunity of advancing reasons for contending that they should not be withdrawn.” (AC p. 408)”

17. Rao, J. observed in this case, that the *procedural* part of legitimate expectation relates to a representation that a hearing or other appropriate procedure will be afforded before the decision is made. The *substantive* part of the principle is that if a representation is made that a benefit of a substantive nature will be granted or if the person is already in receipt of the benefit, that it will be continued and not be substantially varied, then the same could be enforced.

18. **It has been held by R.V. Raveendran, J. in *Ram Pravesh Singh v. State of Bihar* [(2006) 8 SCC 381 : 2006 SCC (L&S) 1986] that legitimate expectation is not a legal right. Not being a right, it is not enforceable as such.** It may entitle an expectant: (SCC p. 391, para 15)

“(a) to an opportunity to show cause before the expectation is dashed; or (b) to an explanation as to the cause for denial. In appropriate cases, the courts may grant a direction requiring the authority to follow the promised procedure or established practice.”

Substantive Legitimate Expectation

19. **An expectation entertained by a person may not be found to be legitimate due to the existence of some countervailing consideration of policy or law. [H.W.R. Wade & C.F. Forsyth, *Administrative Law* (Eleventh Edn., Oxford University Press, 2014).] Administrative policies may change with changing circumstances, including changes in the political complexion of Governments. The liberty to make such changes is something that is inherent in our constitutional form of Government. [*Hughes v. Department of Health and Social Security*, 1985 AC 776, 788 : (1985) 2 WLR 866 (HL)]**

20. **The decision-makers' freedom to change the policy in public interest cannot be fettered by applying the principle of substantive legitimate expectation. [*Findlay, In re*, 1985 AC 318 : (1984) 3 WLR 1159 : (1984) 3 All ER 801 (HL)] So long as the Government does not act in an arbitrary or in an unreasonable manner, the change in policy does not call for interference by judicial review on the ground of a legitimate expectation of an individual or a group of individuals being defeated.”**

(emphasis supplied)

Legal Malice

21. Though it is contended by the learned Advocates appearing for the Respondents that the impugned Rules have been brought forth only to nullify the effect of the judgments, as discussed, we do not think so. The Appellants have duly complied with the orders passed. Even otherwise, law is quite settled that basis of a judgment can be removed and a decision of the court cannot be treated like a statute, particularly when power is available to act and it is accordingly exercised in public interest. In such view of the matter, we do not find any legal malice in the amendments. We wish to quote ***Kalabharati Advertising v. Hemant Vimalnath Narichania*, (2010) 9 SCC 437,**

“Legal malice

25. The State is under obligation to act fairly without ill will or malice— in fact or in law. “Legal malice” or “malice in law” means something done without lawful excuse. It is an act done wrongfully and wilfully without reasonable or probable cause, and not necessarily an act done from ill feeling and spite. It is a deliberate act in disregard to the rights of others. Where malice is attributed to the State, it can never be a case of personal ill will or spite on the part of the State. It is an act which is taken with an oblique or indirect object. It means exercise of statutory power for “purposes foreign to those for which it is in law intended”. It means conscious violation of the law to the prejudice of another, a depraved inclination on the part of the authority to disregard the

rights of others, which intent is manifested by its injurious acts. (Vide ADM, Jabalpur v. Shivakant Shukla [(1976) 2 SCC 521 : AIR 1976 SC 1207] , S.R. Venkataraman v. Union of India [(1979) 2 SCC 491 : 1979 SCC (L&S) 216 : AIR 1979 SC 49] , State of A.P. v. Goverdhanlal Pitti [(2003) 4 SCC 739 : AIR 2003 SC 1941] , BPL Ltd. v. S.P. Gururaja [(2003) 8 SCC 567] and W.B. SEB v. Dilip Kumar Ray [(2007) 14 SCC 568 : (2009) 1 SCC (L&S) 860] .)”

IMPUGNED JUDGMENTS:

22. In any case, the decisions of the High Court rendered earlier do not stand in the way of the impugned amendments. They were with respect to sandstone alone, while in the impugned judgment the High Court applied it to all the minor minerals. In the decision rendered by the High Court dated 13.03.2013 all the applications were directed to be considered as per the amended Rules. In fact, the reasoning of the High Court in the impugned order is contrary to the earlier order passed. The impugned Rules have been introduced in exercise of the power conferred under Section 15 of the 1957 Act. As held by this Court in the decisions referred *supra*, there is neither a right nor it gets vested through an application made over a Government land. Law does not facilitate hearing the parties in bringing an amendment by an authority competent to do so. The High Court, in our considered view, has totally misconstrued the issues ignoring the fact that there is a delegation of power to the first appellant which was rightly exercised as conferred under Section 15 of the 1957 Act.

23. For the foregoing reasons, we have no hesitation in setting aside the impugned judgments and we do so. Accordingly, all these appeals stand allowed. Consequently, pending application(s), if any, also stand(s) disposed of. No costs.

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