

W.P. (MD) No.6585/2022

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON : 01.09.2026

PRONOUNCED ON : 16.10.2026

CORAM

THE HON'BLE MR JUSTICE M.DHANDAPANI

AND

THE HON'BLE MR.JUSTICE N.DILIP KUMAR

WP(MD) No. 6585 of 2022

AND

**WMP(MD) NO. 5090 OF 2022, WMP(MD) NO. 5091 OF
2022, WMP(MD) NO. 5093 OF 2022**

Virudhunagar District Quarry Owners
Welfare Association rep. by its Secretary
Mr.A.Narayanaperumalsamy

...Petitioner(s)

Vs

1. The State of Tamil Nadu Represented by
Additional Chief Secretary to Government,
Industries (MMC.1) Department, Secretariat,
Chennai - 600 009.
2. The Director
Department of Geology and Mining,
Chennai - 600 032.
3. The District Collector
Virudhunagar District,
Virudhunagar.
4. The Assistant Director
Department of Geology and Mining,
Virudhunagar District.

..Respondent(s)



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PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari, to call for the records in pursuant to the impugned G.O.(Ms) No. 23 Industries (MMC.1) Department dated 23.02.2022 and the Appendix containing the Amendments to Rule 35 of Tamil Nadu Minor Mineral Concession Rules, 1959 and inserted as Rule 35-A, 35-H and quash the same.

For Petitioner(s): Mr.M.Karthikeya Venkitachalapathy

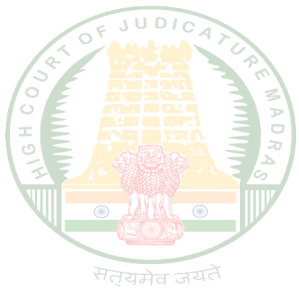
For Respondent(s): Mr.M.Mahaboob Athiff
Special Government Pleader

ORDER

N. DILIP KUMAR, J.

1) Assailing the amendment to Rule 35 of the Tamil Nadu Minor Mineral Concession Rules 1959 vide G.O.(Ms) No.23 Industries [MMC.1] department dated 23rd February 2022 in and by which Rules 35-A to 35-H have been introduced for compulsory levy and collection of Green Fund, the present writ petition has been filed by the Virudhunagar District Quarry Owners' Welfare Association.

2) Mr. M. Karthikeya Venkitachalapathy, learned counsel appears for the writ petitioner and Mr.M.Mahaboob Athiff, learned Special Government Pleader appears for the respondents.



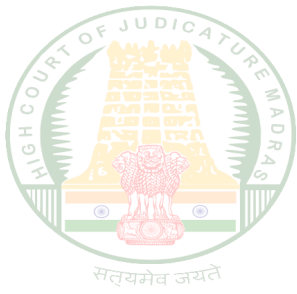
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3) The arguments advanced on the side of the petitioner during the course of oral submissions and in the written submission can be summarised as follows: -

- The writ petitioner is a registered society comprising members from different strata of society; the objects of the Society is to work for the welfare of its members and also the weaker sections of society and apart from several general objects, is also concerned with the efforts to be undertaken for obtaining receipts to quarry stones and sand.

- The impugned order introducing the amendment is attacked on the ground of lack of competence of the respondent State. The impugned levy in the form of Green Fund would amount to compulsory exaction amounting to tax or a kind of impost and it cannot be done in a manner contrary to Article 265 of the Constitution of India, as there is no authority vested in the State to impose the said tax under the guise of Green Fund.

- By referring to the judgment of the Apex Court in ***State of West Bengal vs. Kesoram Industries Ltd., (2004 (10) SCC***



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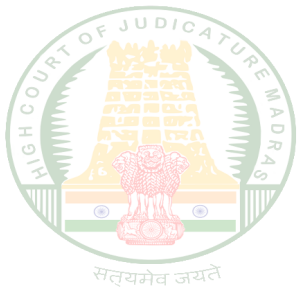


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201) and the judgment of the Constitution Bench of the Supreme Court in *Mineral Area Development Authority vs. SAIL (2024 (10) SCC 1)*, it is submitted that the power of the State to tax mineral rights cannot be exercised in an arbitrary manner in a way which is extortionary or prohibitory and thereby, completely annihilating the trade and business.

- The Government vide impugned ***G.O.Ms.No.20, Industries (MMC) Department, dated 23.02.2022***, has introduced a new levy in the form of “***Green Fund***” under Section IV-A along with Rules 35-A to 35-H to the Tamil Nadu Minor Mineral Concession Rules, 1959. Under the newly introduced Green Fund, the Government is making a compulsory exaction of an amount, at the rate of 10% of the seigniorage fee, as Green Fund.

- This collection of Green Fund is in addition to the already overcrowded space of tax, levy and compulsory exaction that is already made by the State from the quarry operators in the form of seigniorage fee, District Mineral Fund, security deposit, 2% of the seigniorage fee that is being collected towards payment



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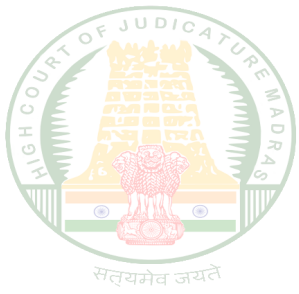


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to the local Village Panchayat under the norms of the State Environment Impact Assessment Authority, payment to National Mineral Exploration Trust, Surface rent, Dead rent and these are all apart from the regular administrative, application and processing fees for quarry applications and GST levied upon the quarried materials.

- The imposition of such multiple levies against the quarry operators and quarrying operations had strangled the business of the quarry operators and such additional levy would amount to an unreasonable restriction on the fundamental right of the members of the petitioner society to carry on any business or trade as protected under Article 19(1)(g) of the Constitution of India.

- The learned counsel would emphatically argue that the object, for which this Green Fund is established, is already taken care under the statutory mechanism in the form of levy and collection of fund at 10% towards the District Mineral Foundation Trust and the second levy in the form of Green Fund for the very same purpose once again is arbitrary.



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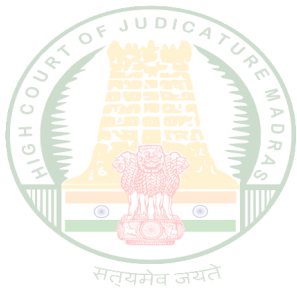
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- He would also submit that at the time of executing lease deeds, there was a specific clause enabling the District Collector to demand and collect amount towards restoration of the quarried lands or fencing or filling up of the abandoned pits and excavation sites, if required and therefore, a new set of Rules for the purpose of creating a fund to carry out these functions inter alia is not necessary.

- Contention that the concept of the levy amounting to double taxation is invoked as its purpose is already secured by Rules 22 and 28 of the Tamil Nadu Minor Mineral Concession Rules, 1959.

- The attack is on the ground of unfair imposition of multiple taxation for the same purpose. He would contend that this would amount to double jeopardy in taxation and there is manifest arbitrariness.

- Further, it is argued that when the Apex Court in *Thressiamma Jacob & Ors. Vs. Geologist, Department of Mining and Geology and Ors.*(2013 (9) SCC 725) has concluded that the proprietary rights upon the minerals, along



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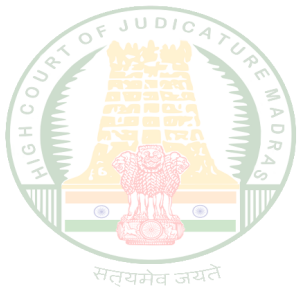


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with the surface rights in respect of private patta lands shall continue to remain with the private land owners and in the absence of any statutory taking over of the said right the State lacks jurisdiction to levy Green Fund in the process of excavation of minerals from these private patta lands and since the impugned Rules do not make any distinction between excavation from private lands and government lands and arbitrarily levies Green Fund on all types of excavation of minerals on any land, including a private patta land, the same is not sustainable.

- Subsequent to the conclusion of arguments, while filing written arguments on the side of the petitioner, an additional plea is also raised that after the introduction of Section 9-D by way of Amendment Act 20 of 2006, introduced vide Government of India Gazette dated 17.08.2026, the impugned levy of green tax is to be held as one without authority and thus lacking in jurisdiction.

4) *Per contra*, the learned Special Government Pleader for the official respondents made the following submissions: -



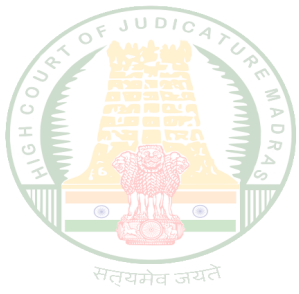
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- At the outset, he objects to the maintainability of this writ petition by a registered society and contends that a writ petition can only be filed either by a natural or juridical person and the petitioner society, not being either one of them, in the light of the proposition of the Apex Court in ***Illachi Devi v. Jain Society (2003 (8) SCC 413)*** cannot maintain this writ petition, more particularly, when the writ petition is not filed in public interest, rather is litigated only in the private interest.

- With regard to the lack of competency of the State Government, he submits that there is sufficient authority available with the State to enact the impugned Rules. He refers to the preamble of the Mines and Minerals (Development and Regulation) Act 67/1957 and also the objects and reasons for the purpose of enacting this Act. Attention of this Court is drawn to Section 15 of the said Act which enables the State Government to make Rules inter alia for the purpose of fixing and collecting rent royalty fee, dead rent or other charges and also to Section 15(1)(h), which provides for power to the State Government to make Rules in respect of mines and minerals



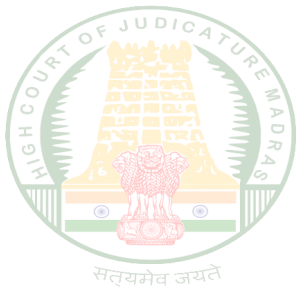
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providing the manner in which the rights of third parties may be protected, viz., whether by way of payment of compensation or otherwise, in cases where any such party is prejudicially affected by reason of any prospecting or minor operations and also to Section 15(1)(i) which provides the manner in which rehabilitation of flora and other vegetations such as trees, shrubs and the like destroyed by reason of any quarrying or mining operation shall be made in the same area or in any other area selected by the State Government, whether by way of reimbursement of the cost of rehabilitation or otherwise by the person holding the quarrying or mining lease.

- He would emphatically contend that the attack on the ground of lack of competency is without any substance and he seeks to place reference to Entry 54 of List I and Entry 23 of List II. He further submits that these entries read with Section 15, substantiate the competency of the State Government to make the Rules for regulating the grant of quarry leases, mining leases or other mineral concessions in respect of the minor minerals.



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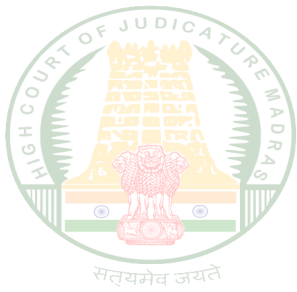


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- The impugned Green Fund will not fall under the category of any impost much less a tax and it will fall under a separate genre of regulatory fee that is permissible to be collected and Green Fund is one of the species of such regulatory fund.

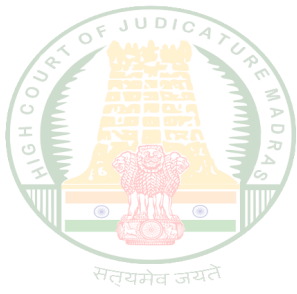
- The collection of Green Fund can never be termed as a levy of tax; rather it is a regulatory contribution collected by the State in exercises of its environmental policing powers, as the purpose and object of the Green Fund is very distinct and different from District Mineral Foundation Trust or any of the other levy referred to by the petitioner. He seeks to make a comparative reading of the respective Rules and its objects.

- The fundamental right to carry on business is not free from imposition of any reasonable restriction and the impugned levy of Green Fund is to balance the environmental rights of affected parties and the Doctrine of Inter-Generational Equity and the Doctrine of Polluter Pays Principle together with the Doctrine of Public Trust would substantiate the correctness of the levy of Green Fund.



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- On the attack on the premise that there is double jeopardy of taxation and that the purpose is already secured under Rules 22 and 28 of the said Rules, he submitted that Green Fund operates on a very larger concept and the collection of a maximum amount of Rs.10,000/- under Rule 22 and the power of the Collector to compel the quarry operator to fill up the abandoned quarry from and out of the security deposit cannot imply arbitrariness of Green Fund, as it provides inter alia for several purposes including restoration of the abandoned quarry pits, and reducing the impact of the quarry operations. While Rules 22 and 28 are quarry specific i.e., it is leviable only against the quarries that are done by the specific quarry operator, the levy of Green Fund and the fund collected under the said levy can be utilised not only for the said specified quarry but can be used even against an abandoned quarry pit that became abandoned even prior to the introduction of the impugned levy. He attempted to draw an inference to Articles 48-A and 51-A of the Constitution of India to substantiate the correctness of the impugned Government Order.



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- Insofar as the newly introduced ground of attack on the basis of the Amendment Act 20/2026, he submitted that the impugned Rules are not repugnant or contrary to Section 9-D or any provision of the Central Act 67/1957 and the same does not apply to mines and minerals.

- Section 14 of the Central Act 67 of 1957 emphatically states that the provisions of Sections 5 to 13 shall not apply to quarry leases, mining leases or other mineral concessions in respect of minor minerals and thus, the reference made to the newly introduced Section 9-D of the Amendment Act 20 of 2026 is without any substance.

- The exact nature of Green Fund makes it compulsory to be levied against all quarry operations irrespective of the fact as to whether the quarry is done in a private land or in a government land and hence the Apex Court judgment in *Thressiamma case (supra)* will not be applicable. He accordingly prays for the dismissal of this writ petition.

5) Heard the learned counsel for the respective parties at length. We have



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given our thoughtful considerations to the lengthy arguments advanced on either side and gone through the detailed written submissions filed by both the parties and perused all the materials available on record.

6) At the outset, we will consider the objections raised by the learned Special Government Pleader with regard to the maintainability of this writ petition on the ground of lack of *locus standi* of the writ petitioner, a registered society to file this writ petition.

7) The learned Special Government Pleader has referred to the judgement of the Supreme Court in *Illachi Devi case (supra)*, wherein the Apex Court held as under:-

21. A society registered under the Societies Registration Act is not a body corporate as is the case in respect of a company registered under the Companies Act. In that view of the matter, a society registered under the Societies Registration Act is not a juristic person. The law for the purpose of grant of a probate or Letter of Administration recognises only a juristic person and not a mere conglomeration of persons or a body which does not have any statutory recognition as a juristic person.

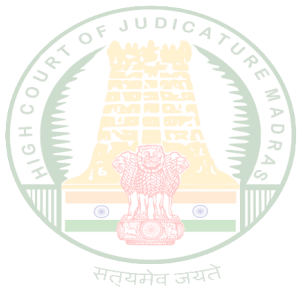
22. It is well known that there exist certain salient differences between a society registered under the Societies Registration Act, on the one hand, and a company corporate, on the other, principal amongst which is that a company is a juristic person by virtue of being a body corporate, whereas



the society, even when it is registered, is not possessed of these characteristics. Moreover, a society whether registered or unregistered, may not be prosecuted in a criminal court, nor is it capable of ownership of any property or of suing or being sued in its own name.”

8) In ***Confederation of Ex-Serviceman Associations and Ors v. UOI*** (2006 (8) SCC 399), the Apex Court, on the aforesaid issue, held thus :-

“22. We have given anxious and thoughtful consideration to the rival contentions raised by the parties. So far as the preliminary objection regarding maintainability of the petition is concerned, it may be stated that the petitioner has asserted in the petition that it is a confederation of five ex-servicemen associations formed in furtherance of a common cause. The aims and objects of the Confederation have also been annexed as set out in the MoU (Annexure P-1). The Confederation was registered under the Societies Registration Act, 1860. Likewise, all associations which constitute the Confederation are similarly registered individually. It is further stated that the Air Force Association and the Indian Ex-Services League are even recognised by the Ministry of Defence, Union of India. It, therefore, cannot be said that the petitioner Confederation is not registered and the petition filed is not maintainable. In view of the fact that some of the associations have been recognised even by the Ministry of Defence, the deponent ought not to have raised the objection regarding maintainability of the petition without ascertaining full facts and particulars. We leave the matter there holding the petition maintainable.



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23. *We are also satisfied that the contention of the respondent is even otherwise not tenable at law. A similar point came up before a Constitution Bench of this Court in the well-known decision in D.S. Nakara v. Union of India (1983) 1 SCC 305. There also, one of the petitioners was a society registered under the Societies Registration Act, 1860. It approached this Court for ventilating the grievances of a large number of old and infirm retirees who were individually unable to approach a court of law for redressal of their grievances. This Court held locus standi of the society “unquestionable”. In the present case, apart from the fact that a larger public issue and cause is involved, even individually, all associations are registered associations of ex-servicemen. The petitioner Confederation representing those associations which is also registered, can certainly approach this Court by invoking the provisions of Part III of the Constitution. We, therefore, reject the preliminary objection raised by the respondents and hold that the petitioner Confederation has locus standi to file the petition.”*

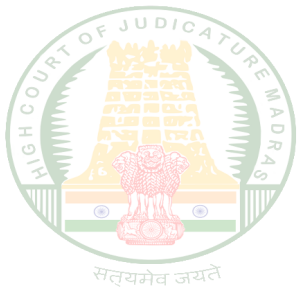
9) A perusal of the objects of the petitioner society reveals that it has been formed not only to work for the welfare of its members but also for the welfare of the general public and the membership in the society is restricted not only to quarry operators, but to any individual above 18 years of age. A three judges bench of the Apex Court in ***Lok Prahari Vs State of UP (2016 (8) SCC 389)*** has permitted a registered society to file a writ



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petition in public interest, upon the consideration that the cause for which it was filed is just and proper. Useful reference can also be made to the recent judgment of the Supreme Court in *Noida Toll Bridge Company case (supra)*. The Supreme Court in the above case permitted a registered society to file a public interest litigation challenging the collection of toll fee on the fly over between New Delhi and Noida. The writ petition was entertained on the premise that the cause espoused is genuine.

10) In the present case, the materials on record reveal that the writ petition is filed by the petitioner society not in public interest but to espouse the cause of its members, though the membership to the society is not restricted only to quarry operators. In the absence of any material to establish the infringement of right of the petitioner society due to the enactment of the impugned rules, the *locus standi* of the writ petitioner to file this writ petition is highly doubtful. However, considering the object for which Green Fund is established and that a larger public issue is involved, we refrain from dismissing the writ petition on this technical plea of lack of *locus standi* and deem it fit to treat it as a writ petition in public interest as the issue raised in this writ petition is serious in nature and has larger ramification upon the environment and ecology.



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11) As there is a challenge to statutory rules, we shall first notice the broader proposition on which a challenge to the statutory rules can be entertained by the Constitutional Courts. The Supreme Court in ***State of Tamil Nadu v. P. Krishnamurthy (2006 (4) SCC 517)*** held that the burden lies on the petitioner challenging the constitutional validity of a subordinate legislation to establish that there is violation of constitutional right, as there is a presumption in favour of its constitutionality.

12) It is the general proposition that a challenge to subordinate legislation is maintainable on the grounds that it is made without legislative competence; that it violates any of the fundamental rights guaranteed under the Constitution of India or any other provision of the Constitution; that it fails to conform to the statute under which it is made or exceeds the limits of the authority conferred by the enabling Act; that it is repugnant to the laws of the land; or that it is manifestly arbitrary or unreasonable to an extent that the Court might well say that the Legislature never intended to give authority to make such rules.

13) It has been the consistent ratio laid down by the Supreme Court in a catena of decisions that while considering the validity of a subordinate legislation, the Court is bound to consider the nature, object and scheme of



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the enabling Act, as well as the area over which the power has been delegated under the Act, and then determine whether the subordinate legislation conforms to the parent statute.

14) Useful reference can be made to the judgement of the Supreme Court in ***Ashoka Kumar Thakur v. Union of India (2008 (6) SCC 1)***, and for better appreciation, the relevant portion is extracted hereunder: -

*“219. A legislation passed by Parliament can be challenged only on constitutionally recognised grounds. Ordinarily, grounds of attack of a legislation is whether the legislature has legislative competence or whether the legislation is ultra vires the provisions of the Constitution. If any of the provisions of the legislation violates fundamental rights or any other provisions of the Constitution, it could certainly be a valid ground to set aside the legislation by invoking the power of judicial review. A legislation could also be challenged as unreasonable if it violates the principles of equality adumbrated in our Constitution or it unreasonably restricts the fundamental rights under Article 19 of the Constitution. A legislation cannot be challenged simply on the ground of unreasonableness because that by itself does not constitute a ground. The validity of a constitutional amendment and the validity of plenary legislation have to be decided purely as questions of constitutional law. This Court in *State of Rajasthan v. Union of India (1977) 3 SCC 592* said :*

“149. ... if a question brought before the court is purely a political question not involving determination of any legal or



constitutional right or obligation, the court would not entertain it, since the court is concerned only with adjudication of legal rights and liabilities.”

Therefore, the plea of the petitioner that the legislation itself was intended to please a section of the community as part of the vote catching mechanism is not a legally acceptable plea and it is only to be rejected.”

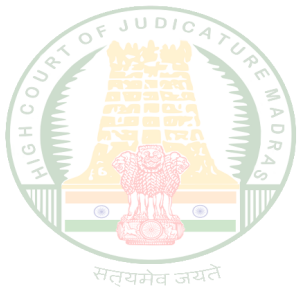
15) We shall test the impugned Rules providing for the establishment of a Green Fund on the above settled legal proposition.

16) The argument on the lack of competence on the part of the State to enact these Rules pales into insignificance upon a literal reading of Section 15 of Central Act 67 of 1957 r/w Entry 54 of the Union List and Entry 23 of the State List. The relevant statutory provision, namely Section 15(1) (g), (h) and (i) and the relevant entries from the VII schedule are extracted hereunder: -

“15. Power of State Governments to make rules in respect of minor minerals. –

(1) The State Government may by notification in the official gazette, make rules for regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals and for purposes connected therewith.

(1-A) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any



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of the following matters, namely: -

(a).....

(b)....

g) *the fixing and collection of rent, royalty, fees, dead rent, fines or other charges and the time within which and the manner in which these shall be payable;*

(h) *the manner in which rights of third parties may be protected (whether by way of payment of compensation or otherwise) in cases where any such party is prejudicially affected by reason of any prospecting or mining operations;*

(i) *the manner in which rehabilitation of flora and other vegetation such as trees, shrubs and the like destroyed by reason of any quarrying or mining operations shall be made in the same area or in any other area selected by the State Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the quarrying or mining lease;”*

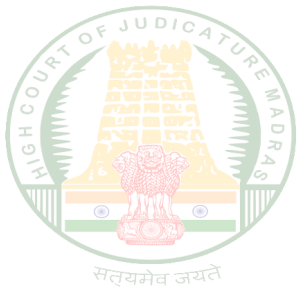
VII Schedule

List I -Union List

54. Regulation of mines and mineral development to the extent to which such regulation and development under the control of the Union is declared by Parliament by law to be expedient in the public interest.

List II - State List

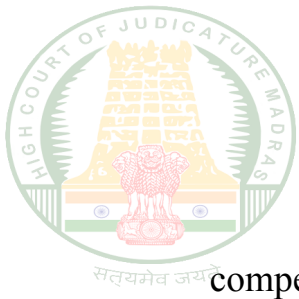
23 Regulation of mines and mineral development subject to the provisions of List I with respect to regulation and



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development under the control of the Union.

17) The statutory provisions and the list from the VII Schedule of the Constitution substantiate that there is sufficient legislative competence available with the State to enact the impugned rules. Section 15 (1) (g) (h) and (i) enable the State Government to make Rules for the purpose of fixing and collecting “other charges” other than rent, royalty, fees, dead rent, fines; and it also enables the State Government to enact Rules providing the manner in which the rights of third parties may be protected in cases where any such third party is prejudicially affected by reason of any prospecting or mining operation; and it also provides the manner in which the rehabilitation of flora and other vegetation and the like destroyed by reason of any quarrying or mining operation shall be made in the same area selected by the State Government whether by way of reimbursement of the cost of rehabilitation or otherwise, by the person holding quarrying or mining lease. There could be no doubt that quarrying operation will cause damage to the environment and ecology and it will be prejudicial, affecting the rights of the entire public, because of mining operations and it requires rehabilitation, reclamation and restoration. There can be no doubt with regard to the legal



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competence of the State to introduce the impugned rules establishing the Green Fund.

18) In fact these rules are very much essential and they will fall under the environmental policing powers that are inherently available to the State to regulate the mining business for the purpose of protecting public health, public safety and the general welfare of its citizens.

19) It is to be noted that the Supreme Court in ***Deepak Kumar v. State of Haryana (2012 (4) SCC 629)***, *inter alia*, upon taking note of the recommendations made by the Ministry of Environment and Forest, had recommended the creation of a separate corpus for reclamation/rehabilitation of mines and quarrying of minor minerals. The Supreme Court, in the said decision, had specifically directed the respective State Governments to frame rules in consonance with the recommendations made by the Ministry of Environment and Forest and only in compliance with the above directions of the Supreme Court, the Government of Tamil Nadu has framed the impugned Rules for the establishment of Green Fund.

20) The high-risk commercial activity of quarrying can be policed by the State in the exercise of its sovereign powers, and a compulsory exaction in the form of the Green Fund is permissible for the reclamation,



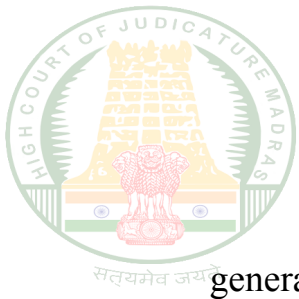
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restoration and rehabilitation of abandoned quarry pits/mines. Therefore, we are of the considered view that the Rules framed in exercise of powers and on the basis of the directions of the Apex Court are valid and binding.

21) With regard to the doctrine of police power, the judgment of the Supreme Court of India in *Kolkata Municipal Corporation v. Shrey Mercantile (P) Ltd.*, (2005 (4) SCC 245), recognised the regulatory powers of the State to protect public health, safety and order. Where the primary purpose of the Green Fund is to regulate the mining and quarrying industry and address its environmental consequences, the same will fall within the sovereign regulatory powers of the State.

22) The “*Doctrine of Inter-Generational Equity*” is highly applicable to the present case. The collection of the Green Fund is certainly justified, as the present generation holds the planet Earth and its natural resources only in trust for future generations. We do not have an absolute right to exhaust or permanently degrade natural resources, and we are under a legal and moral obligation to hand over the environment in as good a condition as we received it from the past.

23) The lawmakers are conscious of the imbalance between the available resources and the requirements of the present and future



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generations. There is a compelling need to ensure the equitable distribution of resources and to maintain intergenerational equity and the Green Fund serves this purpose.

24) The argument raised in the written submission is the attack on the basis of the Amendment Act 20/2026. The impugned Rules are not repugnant or contrary to Section 9-D or any provision of the Central Act 67/1957. Section 14 of the Central Act 67 of 1957 states that the provisions of Sections 5 to 13 shall not apply to quarry leases, mining leases or other mineral concessions in respect of minor minerals. Hence the newly introduced Section 9-D of the Amendment Act 20 of 2026 does not apply to Green Fund established for quarrying of minor minerals.

25) The green fund is collected to reduce irreversible landscape degradation and operates as an instrument of ecological restoration, with the funds being utilised towards financial and ecological corrective measures.

26) It will be very useful to consider the scheme of the impugned Rules and the manner and objects of its operation. Rule 35A specifically provides that there shall be a Green Fund setup for every District towards Reclamation, Restoration and Rehabilitation (*hereinafter shortly referred as **RRR***) of abandoned mines or quarries. It enables the compulsory levy and



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collection of contribution to the Green Fund from every holder of a prospecting licence or a quarry lease of any mineral. It specifically states that such collection of contribution to the newly setup Green Fund shall be in addition to the seigniorage fee.

27) A committee has to be duly constituted under Rule 35-C with the District Collector as the Chairman and it includes the Assistant Director of Geology and Mining, who shall be the Member Secretary of the committee along with the District Forest Officer, the Executive Engineer of the Water Resources Department, the District Environmental Engineer of the Tamil Nadu Pollution Control Board, the District Fire Officer from the Fire and Rescue Services Department and the Chief Executive Officer of the Disaster Management Authority, as its members.

28) The functions of the committee shall be to recommend policy for the RRR (reclamation, restoration and rehabilitation) and its allied activities; also manage, administer, supervise, monitor and review the expenditure of the Green Fund; to approve the priority list of abandoned mines or quarries in the District in order to undertake RRR (reclamation, restoration and rehabilitation) projects by formulating development projects in the said area; to approve measures or schemes for reclamation, restoration



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and rehabilitation as suggested in the detailed project report; to facilitate the promotion and better utilisation of the quarried site and also to make inspection and investigations necessary to ensure compliance with the provisions of these Rules.

29) Rule 35-F also provides the procedure to be followed by the said committee for reclamation, restoration and rehabilitation. The Member Secretary of the Committee has to identify the list of abandoned mines or quarries (Rule 35-G (2)(ii)), and from among the list maintained and placed by the Member Secretary, the committee shall approve the land and outsource the work of conducting a detailed study and submission of a detailed project report, providing a plan for reclamation, restoration and rehabilitation of these abandoned mines or quarries.

30) The agency, to which such detailed study can be outsourced has to provide a categorical report, *inter alia*, providing for measures to facilitate better utilisation of the quarry site; preservation of environmental ecology of the quarried sites; provide measures to enable stabilisation of the quarry/mined slopes, dump slopes and erosion control measures; provide measures to improve the soil health and augmentation of water resources through efficient rainwater harvesting methods; provide measures to make



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the water stored in these quarried pits into potable standards; provide measure for the efficient use of stagnated water in the quarried pits for agriculture, including micro irrigation; to provide measures to develop agriculture, horticulture and pisciculture using advanced technologies, like geo textiles, hydroponics; measures for the promotion of afforestation, agro forestry and social forestry in the quarried areas using native species; measures for establishing land form designs, cold storage facilities and mineral processing units towards the generation of additional income for the local public; facilitating RRR - reclamation, restoration and rehabilitation measures; in appropriate cases, to convert the quarried pits into dumping yards for solid waste by adopting suitable technologies; and measures to protect the public and livestock from accidents, in cases where it is of the opinion that the deep quarries are not restorable.

31) It is necessary to notice that the fund collected by way of contribution from the prospective licensee or quarry lease holder towards the Green Fund is **ring-fenced** and it can only be used for the purpose set apart in the impugned Rules.

32) The amount collected does not go to the consolidated fund of the Government and cannot be used for any purpose other than those



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mentioned in the impugned Rules.

33) The rules are categorical. It specifically states that the Green Fund is being setup towards reclamation, restoration and rehabilitation of the abandoned mines or quarries. In effect, it is eco-centric. It is primarily towards restoration of the ecology and its primary object is to diminish the loss caused to the environment due to the quarrying operations.

34) The newly introduced impugned rules also specifically define the terms '*reclamation*', '*restoration*' and '*rehabilitation*' and '*abandoned mines or quarries*'.

35) '**Reclamation**' is defined to mean and include back filling, stabilisation measures, topsoil conservation, and erection of reservoir in the abandoned mines or quarries.

36) '**Rehabilitation**' is defined to mean and include only land form construction or designing, species selection, establishment of a plant growth medium for physical amelioration, chemical amelioration, biological amelioration and fauna reconciliation and rehabilitation management in the abandon mines or quarries.

37) '**Restoration**' is defined to mean and include only the engineering measures, bioengineering measures and biological measures to



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be taken in the abandoned mines or quarries.

38) The rules have also defined “*abandoned mines or quarries*” as the mines or quarries which were operated and abandoned without proper reclamation; the mines or quarries where no mineral has been produced despite overburden removed for a period of not less than six months; and the mines or quarries from where the lessee or the licensee has vacated the site covered by the lease without having complied with all of the requirements of the lease or licence.

39) The rule-making authority has consciously specified the categories of abandoned mines or quarries that would not fall within the definition of “abandoned mines or quarries” under the second proviso to Rule 35-H, Explanation (a). It specifically excludes mines or quarries whose operations have been temporarily discontinued or which have become temporarily non-operational, provided that the licence or lease remains valid and subsisting, as well as mines or quarries that have ceased operations but are in the process of stabilisation and reclamation.

40) Interestingly, the definition of “*abandoned mines or quarries*” also includes mines or quarries that were operated and abandoned even prior to the coming into force of the impugned Rules. This makes it clear that the

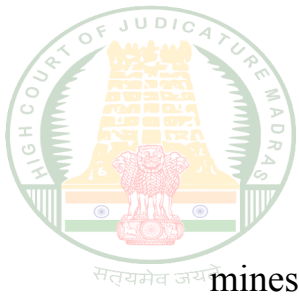


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Government had contemplated the utilisation of contributions collected from holders of prospecting licences or quarry leases not exclusively for the restoration of the particular quarry in respect of which the contribution has been collected; rather, the Green Fund is intended to operate as a general fund for identifying abandoned mines or quarries, prioritising such sites from among the approved list submitted by the Member-Secretary, and undertake RRR - reclamation, rehabilitation or restoration measures in accordance with the Detailed Project Report submitted by an expert agency.

41) It is the settled principle of interpretation that when the lawmaker has used the terminology of “means and includes”, they intended the definition to be exhaustive and not specifically restricting the clause only to the terminology employed therein. The Apex Court in ***State of Gujarat Vs Ambuja Cements (2024 (8) SCC 284)*** following the earlier judgment in ***P. Kasilingam Vs PSG College of Technology*** in (1995 Supp (1) SCC 348) has held that the words “*means and includes*” indicate an exhaustive explanation of the meaning which, for the purposes of the Act, must invariably be attached to these words or expressions.

42) The Rules are comprehensive and provide for every requirement, including the manner of identification of abandoned quarries or



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mines, the recommendation of such sites by the Member-Secretary, the approval by the District Committee for the purpose of conducting a detailed expert study, and the subsequent determination of the appropriate reclamation, restoration and rehabilitation measures, which are also exhaustively and elaborately defined under the Rules.

43) This comprehensive framework substantially establishes that the impugned Rules introducing the Green Fund are intended to mitigate environmental degradation caused by quarrying operations and to facilitate the restoration of the environment and ecology.

44) The object is to secure inter-generational equity, and the measures contemplated under the Rules are consistent with the ***Doctrines of Public Trust and Sustainable Development.***

45) The collection of Green Fund as a compulsory exaction cannot be termed as an unreasonable restriction. It is imposed in the interest of the society as a whole and to secure the interest of the public, both present and future. The fundamental right to carry on any profession, occupation, trade or business guaranteed under Article 19 (1) (g) of the Constitution is not absolute and it is made subject to the imposition of any appropriate reasonable restriction by the State in the interest of the general public as

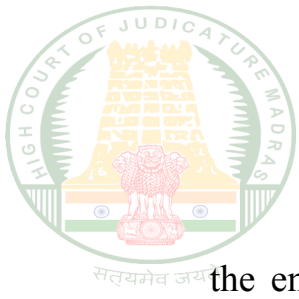


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prescribed Article 19 (6) of the Constitution of India.

46) The test of reasonableness is required to be viewed in the context of the issues sought to be ameliorated by introducing the impugned rules. While constructing the impugned rules and judging their validity, the constitutional courts are bound to approach the issue from the point of furthering the social interest and the progress of the community as a whole. The court cannot proceed on a general notion of what is reasonable in its abstract form nor can the court proceed to decide the question from the point of view of the person on whom such restriction is imposed. The question to be decided in such case is whether the restrictions imposed are reasonable in the interest of the general public. The nature of right alleged to have been infringed, the underlying purpose of the restriction imposed, the extent and urgency of the evil sought to be remedied thereby, the disproportion of the imposition, the prevailing conditions at the time should all be considered by the court while examining the reasonableness of the restriction.

47) Applying the above yardstick, it can be safely concluded that the imposition of Green Fund, upon quarry license holders while excavating minor minerals, for the purpose of adopting RRR – restoration, Rehabilitation and reclamation measures is to mitigate the damage caused to



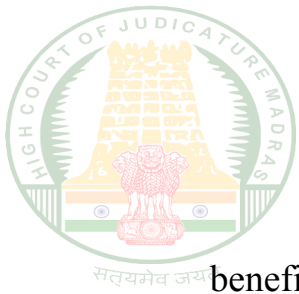
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the environment/ecology in the quarry site by proposing to use the funds collected for the said purpose which can certainly be held as reasonable.

48) Further the restriction imposed does not frustrate the right. The possible hike in the prices of the minor minerals, because of the imposition of Green Fund cannot be a reason to contend that it is arbitrary or that the same would amount to an unreasonable restriction. When a choice is to be made between financial viability or economical prudence and preservation of ecology, the welfare State and also the Constitutional Courts are bound to choose the latter, which alone will be in the interest of the public at large. Therefore, the contention advanced on the above lines is liable to be rejected.

49) The next argument advanced on behalf of the petitioner that the Green Fund is a tax in disguise and that the prospecting licence holders or quarry leaseholders are already burdened with several other levies requires consideration.

50) There are certain classic distinctions between a tax and a regulatory fee or regulatory contribution, the earlier being a specie of impost. Generally, in the case of a tax, there is an absence of *quid pro quo*, in the sense that a taxpayer cannot demand a specific or proportionate



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benefit from the Government in return for the payment of tax. In the case of a regulatory fee or regulatory contribution, however, there must ordinarily be at least a broad correlation between the fees collected and the services rendered to the payers or the industry concerned.

51) In the present case, the existence of *quid pro quo* need not be established in its strict sense. The Green Fund is legally earmarked for the RRR - reclamation, restoration and rehabilitation of abandoned mines or quarries within the respective districts. Though the traditional understanding of a fee and the requirement of *quid pro quo* contemplate a relationship between the levy and the benefit received by the payer, in the case of regulatory fees, such as the contribution towards the Green Fund, it would suffice to establish a broad relationship between the levy and the industry sought to be regulated.

52) Admittedly, the Green Fund is utilised for reclamation, restoration and rehabilitation, which are directed towards restoring the environmental and ecological balance adversely affected by quarrying operations in the district. Thus, *quid pro quo* exists in its broader sense, inasmuch as the industry operators are required to contribute towards the environmental restoration and remediation, necessitated because of



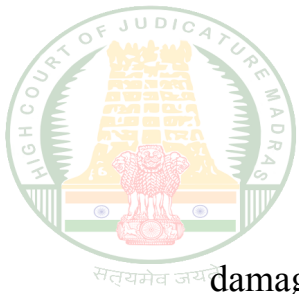
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quarrying operations. The contribution is an incidence of the privilege granted by the State to extract minerals and operates as an environmental security deposit or remediation charge attached to the licence, rather than as a levy on income or property.

53) Thus there is a regulatory *quid pro quo* in the broader sense, as the Green Fund is utilised for the reclamation, restoration and rehabilitation of abandoned quarries and mines, which may include fencing, restoring and securing areas affected by mining hazards.

54) The quarry operators, having exploited the mineral resources and derived commercial benefits from the mining industry, are required to contribute towards measures intended to regulate the environmental consequences of such activities and ensure the sustainability of the industry throughout its life cycle.

55) The next distinguishing factor between a tax and a regulatory fee is the **primary purpose for which the amounts are collected**. Generally, a tax is collected to raise general revenue for the State to fund public administration and overall welfare, whereas a regulatory contribution, such as the Green Fund, is collected to meet the costs of specific remedial measures, regulate an industry and mitigate particular environmental



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damage. The Green Fund is, therefore, a compulsory exaction in the form of a regulatory contribution imposed upon the industry to mitigate the specific environmental damage caused by quarrying operations.

56) The next basic distinguishing factor is *the manner of fund allocation*. While taxes collected are credited to the Consolidated Fund of the State, thereby enabling the State to utilise the amounts at its discretion in accordance with the budgetary provisions, regulatory fees, such as the contribution towards the Green Fund, are strictly earmarked for specified regulatory activities. In fact, the amounts collected towards the Green Fund are *ring-fenced* and can be utilised only within the respective districts for the identified purposes, prescribed under the statutory framework contained in Chapter IV-A.

57) There is no general revenue augmentation, inasmuch as the amounts collected towards the Green Fund do not form part of the Consolidated Fund of the State.

58) There is no unfettered discretion vested in the Government to utilise the Green Fund, as the amounts collected are ring-fenced and can be utilised only for the specified purposes of reclamation, restoration and rehabilitation of abandoned quarries and mines, subject to the statutory



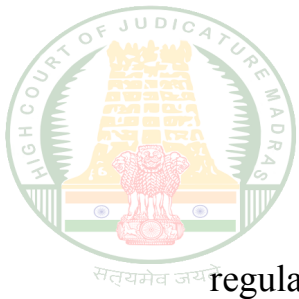
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restrictions on expenditure.

59) The Green Fund collected for one district cannot be utilised in another district. Equally, the Green Fund collected within a particular district can be utilised only for the purposes specified under Chapter IV-A and not for any other purpose.

60) Further, the Green Fund operates as a regulatory mechanism to address the ecological footprint and environmental hazards left behind by quarrying operations. It can, therefore, be classified as a statutory fee in the form of a compensatory contribution and cannot be regarded as a tax or a general impost.

61) The judgment relied upon by the learned counsel for the petitioner in *Kesoram Industries case (supra)*, also requires consideration. The Hon'ble Supreme Court has categorically held that a levy is a regulatory fee if its primary purpose is only to regulate the industry, manage public safety or mitigate environmental externalities caused by a specific trade. Applying the said yardstick, as the Green fund forms a compensatory structure to oversee ecological impact and it does not need a direct mathematical return of service to the individual player, it can only be termed as a Regulatory Fee. In the present case, the Green Fund is intended to



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regulate the environmental consequences of quarrying operations and to finance the reclamation, restoration and rehabilitation of abandoned mines and quarries. Since the Green Fund constitutes a compensatory mechanism to address the ecological impact of quarrying, it does not require a direct mathematical correspondence between the contribution paid by an individual quarry operator and the specific services rendered to that operator. Thus, the levy is justified as a regulatory fee in the context of mining operations.

62) The Supreme Court has also drawn a distinction between the power of regulation and control and the power to tax, recognising that they are distinct powers operating in different fields and serving different purposes. The power of the State to regulate mines and mineral development and to enact legislation in that regard is subject to the constitutional scheme and the applicable provisions of the relevant legislative lists. Having regard to the object, purpose and manner of operation of the Green Fund, we are of the considered opinion that the Green Fund is not a tax or a general impost, but a regulatory fee collected for the specified purpose of reclamation, restoration and rehabilitation of abandoned quarries and mines.

63) The landmark judgment of the Nine-Judge Bench of the Supreme Court of India in *Mineral Area Development Authority v. Steel*



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Authority of India Limited, (2024 (10) SCC 1) also requires to be adverted to in the context of the respective powers of the Union and the States concerning mineral development and taxation. The principles emerging from the said judgment must be applied having regard to the statutory scheme governing the impugned levy.

64) The contribution is in the nature of a cost borne by quarry operators in the course of carrying on their business and is incidental to the privilege granted by the State to extract minerals. It is more appropriately characterised as a remediation charge.

65) In our considered opinion, the Green Fund, being earmarked for specified environmental remedial measures constitutes an exercise of the State's regulatory powers to promote environmental sustainability, distinct from the imposition of a general municipal or State tax.

66) We are, therefore, of the considered opinion that the Green Fund, having regard to its statutory purpose, restricted utilisation and environmental objectives, is a regulatory contribution compulsorily collected under the statutory scheme for the reclamation, restoration and rehabilitation of abandoned mines and quarries, rather than a tax or a general impost.

67) The next argument advanced on behalf of the petitioner is that



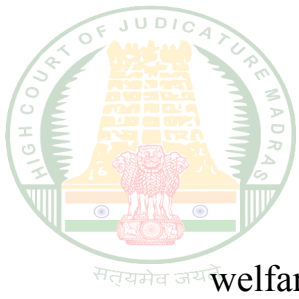
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there is duplication, or rather multiplicity of levies, as several other contributions are already collected for the same or similar purposes. These include contributions towards the District Mineral Foundation, the levy of 2% of the seigniorage fee towards the Village Panchayat, Dead rent/Surface rent/Royalty, and the amounts collected under Rules 22 and 28 of the Tamil Nadu Minor Mineral Concession Rules, 1959.

68) The question of any overlap between the Green Fund, DMF contributions, royalty, seigniorage fee or other regulatory fees does not arise, as each has a distinct and separate purpose and the contention of the petitioners also does not specifically point that there is any overlapping of the charges, to say that there is double collection.

69) A comparative reading of Section 9-B of the Mines and Minerals (Development and Regulation) Act, 1957, together with the Tamil Nadu District Mineral Foundation Rules, 2017, and the newly introduced Chapter IV-A of the Tamil Nadu Minor Mineral Concession Rules, 1959, that establishes the Green Fund, would demonstrate that the two funds differ in their objects and purposes.

70) The District Mineral Foundation (DMF) is predominantly anthropocentric, inasmuch as it is people-centric and directed towards the

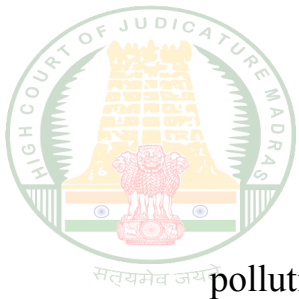


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welfare of human beings and local communities affected by mining operations, whereas the Green Fund is ecocentric or site-centric in nature.

71) The primary objective of the DMF is to alleviate the hardship caused to the general public and local communities affected by mining operations, whereas the Green Fund is intended to address the adverse consequences of quarrying operations on the environment and ecology. Under the DMF framework, human-centric welfare measures, such as the provision of drinking water, healthcare, education and infrastructure, may be undertaken. In contrast, the Green Fund is intended to reverse ecological damage through activities such as filling dangerous quarry pits, fencing hazardous areas and undertaking reclamation, restoration and rehabilitation of abandoned quarry sites.

72) The difference between the DMF and the Green Fund becomes more evident when we consider the provisions of Rule 4(ii) of the Tamil Nadu District Mineral Foundation Rules, 2017. It enables the utilisation of DMF funds towards the creation and maintenance of physical infrastructure, like roads, bridges, railways and waterways projects, as well as repairs necessitated by damage caused by mining operations. It also provides for the adoption of mitigation measures to reduce the impact of mining-related



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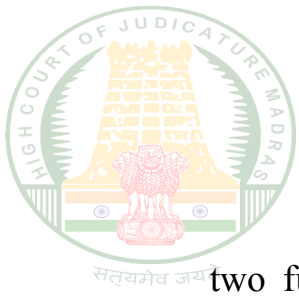
pollution on air, water and soil; the development of irrigation, energy and watershed resources; and the preservation of the environment through measures to prevent pollution of streams, lakes, ponds, groundwater and other water sources in the region.

73) Rule 4 specifically provides for the utilisation of the Trust Fund towards the welfare of people affected by mining activities, including the provision of drinking water, healthcare, education, the welfare of women and children, the welfare of the aged and persons with disabilities, and skill development.

74) Thus, it is abundantly clear that funds from the DMF can be used outside the abandoned quarry sites/mines, whereas the Green Fund and the contributions collected thereunder are to be used towards the reclamation, restoration and rehabilitation of abandoned quarry sites/mines.

75) Of course, Rule 14 of the Tamil Nadu District Mineral Foundation Rules, 2017, provides for the utilisation of funds towards the overall development of areas affected by mining-related operations in the district and the expenditure is not confined to any particular abandoned quarry site.

76) There is a significant difference in the purposes served by these



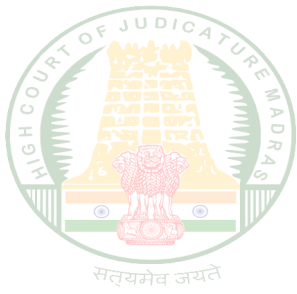
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two funds. While the DMF funds are used for welfare measures for the public affected by quarrying operations and for the development of areas affected by such operations, including areas outside the abandoned quarry sites/mines/pits, the Green Fund is to be used towards the reclamation, restoration and rehabilitation of abandoned quarries/pits.

77) Therefore, the argument of the learned counsel for the petitioner that the Green Fund would amount to double taxation or double jeopardy in taxation is without any substance, for the reasons stated above.

78) The reference made by the learned counsel for the petitioner to Rules 22 and 28 is sans merit. They are extracted hereunder: -

“22. Conditions to be accepted and security to be deposited for quarrying in ryotwari lands:- After the grant of a quarrying lease, the District Collector or Assistant Director of Geology and Mining may allow quarrying operations to be commenced by the registered holder on executing an agreement in the form set out in APPENDIX - IV to these rules binding himself to accept the conditions and stipulations set out in these rules and on his depositing as security such sum as the District Collector or Assistant Director of Geology and Mining may consider sufficient to cover either the probable cost of restoring to a state fit for cultivation the land on which mining operations, have been carried on or which has been used for deposit of mining waste, or the probable cost of fencing or filling in the abandoned pits and excavations therein. In the event of the



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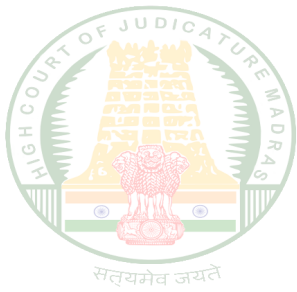


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registered holder failing to carry out such restoration or fencing or filling in when called upon to do so, which is likely to render the area uncultivable, he shall pay thirty times the assessment of the area. He may also require the registered holder to fill in the abandoned pits and excavations in cases where he considers it less expensive than fencing or where the existence of pits and excavations will endanger public safety and health or be detrimental to drainage or irrigational channels. The amount of deposit shall not ordinarily exceed Rs.10,000 (Rupees ten thousand only). In no case, however, it shall be less than the probable cost of restoring the land to a state fit for cultivation, or the probable cost of fencing or filling in abandoned pits and excavations therein together with thirty times the assessment of the area likely to be rendered uncultivable.

28. Special Powers of the Collector :-

(1) The collector may require registered holder to relinquish the whole or part of the land used by him for mining operations or for the deposit of mining waste or on the expiry or sooner determination of the agreement, to restore the lands so used to a State fit for cultivation or securely and permanently fence in abandoned pits and excavation therein, in cases in which he considers such restoration or fencing necessary. In default thereof, the Collector, at his option, may carry out such work and deduct the costs thereof out of the security deposited by the lessee. If, however, the deposit be found insufficient to meet the deduction aforesaid, it shall be lawful for the Collector to recover the balance by resort to Civil Court, where restoration of the land is not insisted on, thirty times the assessment of the land so rendered uncultivable



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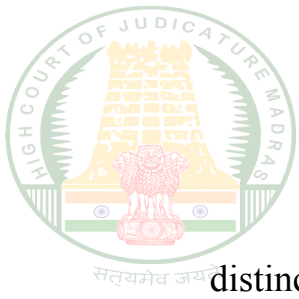
shall be deducted from the Security Deposit and carried to the credit of the State Government. Notwithstanding any other penalty, if the lands are seriously damaged by quarrying, it is open to the Collector to impose enhanced rates of seigniorage fee proportionate to the damage caused to the land, subject to a maximum of five times the normal rates.

(2) The powers vested with the Collector for restoring lands, etc., as provided under sub-rule (1) above, is also applicable to cases of illicit quarrying of minor minerals in ryotwari lands.”

79) They do not operate against the Green Fund; rather, they operate complementing the Green Fund. While Rule 22 enables the Collector or the Assistant Director of Geology and Mining to compel the quarry operator to undertake the requisite measures, it restricts the upper limit to ₹10,000, which is too meagre and negligible.

80) While Rule 22 contemplates a compensatory demand subject to a maximum of ₹10,000, the Green Fund is more dynamic and constitutes an ongoing operational contribution, with both provisions serving different purposes and operating at different stages of the mining cycle.

81) Further, Rule 28, which provides for special powers, must also be considered. Though Rule 28 enables the District Collector to enforce restoration and also impose a penalty or enhanced seigniorage fee, the

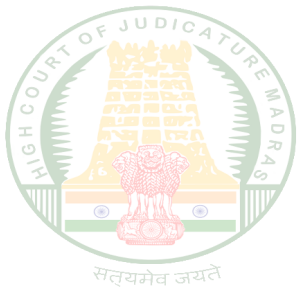


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distinction is evident, as Rule 28 is more in the nature of a punitive measure to be imposed only after a proven default or specific serious damage to the environment at the quarrying site caused by the omissions or commissions of the quarry operator. It requires at least some form of violation, followed by an enquiry and an appropriate order by the District Collector, and there should be an identified breach or localized land destruction caused by the omissions on the part of the defaulting leaseholder.

82) Rather, the Green Fund is more in the nature of a standard regulatory fee collected uniformly from prospecting licence holders or quarry leaseholders, which is compulsorily payable and credited to a dedicated district fund to manage the district's ecological balance and undertake the reclamation, restoration and rehabilitation of long-abandoned and orphaned mines as well.

83) The decision of the Hon'ble Supreme Court in *Kesoram Industries case (supra)* recognises the distinction between a tax and a regulatory levy. The mere existence of an enforcement mechanism or penal provision does not, by itself, prevent the State from levying a continuing, non-penal regulatory fee to manage the environmental consequences of the mining industry within a district.

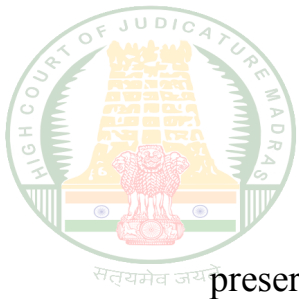


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84) The reference made by the learned counsel for the petitioner to dead rent is also without substance. Dead rent is imposed in the exercise of the proprietary right and not as a sovereign levy by the Legislature. It is intended to ensure that the lessee works the mine and does not keep it idle. Where the lessee keeps a mine idle, dead rent ensures a constant flow of income to the property owner, and the liability to pay dead rent flows from the terms of the mining lease. In effect, dead rent is an alternative to royalty. The Government prescribes dead rent not as an exercise of its sovereign power, but as a regulatory measure to ensure uniformity of rates.

85) Thus, the difference between dead rent and the Green Fund contribution is apparent. The Green Fund is collected as a compulsory exaction in the exercise of the State's sovereign powers for the purpose of restoring the environment and ecology and reducing the adverse effects caused by commercial quarrying operations. The collection of the Green Fund is within the power of the State to regulate mines and mineral development.

86) Rule 35-A operates as a distinct environmental management provision designed to give effect to the sovereign mandate under Section 15 of the Central Act 67 of 1957, and it is closely related to environmental



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preservation and the right guaranteed under Article 21 of the Constitution of India.

87) We are also bound to consider the argument advanced on behalf of the petitioner with reference to the *Thressiamma Jacob case (supra)*. The said judgment is not applicable to the issue arising in the present case. Firstly, the Green Fund Rules do not distinguish between quarrying carried out on private patta lands and quarrying carried out on Government lands under a lease granted by the State. Under the impugned Rules, the State has vested the authority in the District Committee to collect the Green Fund from prospecting licence holders or quarry operators. There is no requirement to consider the ownership of the land, which falls within the realm of *dominium*, as the State exercises its sovereign powers in this regard.

88) The Green Fund does not distinguish between the two categories on the basis of *dominium*; rather, it operates in the realm of *imperium*, that is, the sovereign power of the State to regulate the extraction of minerals. We are, therefore, of the considered opinion that the aforesaid judgment does not come to the rescue of the petitioner by any means.

89) The Green Fund is fundamentally an environmental



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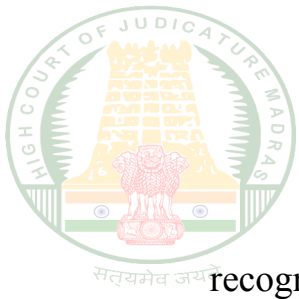
management fee and is not a levy in the nature of royalty for the extraction of minerals.

90) The State has a constitutional obligation to regulate hazardous commercial activities like mining and quarrying. A deeply excavated quarry pit creates ecological damage and public safety risks, including the risk of drowning, which transcend private boundaries.

91) The Green Fund is calculated as a direct percentage of the seigniorage fee collected on the minerals extracted and transported, and it functions as a regulatory condition attached to the commercial permit for quarrying. Therefore, the concept of *dominium* has to give way to the doctrine of *imperium*.

92) The Supreme Court of India, in the celebrated decisions in ***Vellore Citizens' Welfare Forum v. Union of India (1996 (5) SCC 647)*** and ***Indian Council for Enviro-Legal Action v. Union of India (1996 (3) SCC 212)***, upheld the concept of polluter pays principle as an integral part of Indian environmental jurisprudence under Article 21 of the Constitution. The aforesaid decisions provide for the recovery of costs towards restoring environmental degradation from the polluter.

93) The Green Fund is an outcome of the internationally



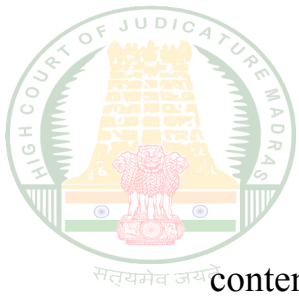
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recognised ***Polluter-Pays Principle***. The principle of absolute liability for environmental harm caused by quarrying activities requires the quarry operator to bear the financial costs of remedying the ecological damage. Any quarrying activity inherently causes environmental degradation, leaving behind serious ecological losses, including the visible loss of vegetation and the creation of dangerous deep pits.

94) The State, being the custodian of natural resources, is bound to hold them in trust for the general public. As a legal trustee of the region's environment, under the ***Doctrine of Public Trust***, the State is constitutionally obligated to protect and preserve these natural resources by mitigating ecological damage, using the funds collected from quarry operators towards ecological restoration.

95) The Supreme Court of India, in the celebrated decision in ***M.C. Mehta v. Kamal Nath, (1997 (1) SCC 388)***, has laid down the ration that the State is only a trustee of the natural resources and is bound to hold them in trust for the benefit of the general public. The State is also obligated to monitor and prevent ecological degradation caused by private business entities engaged in the commercial exploitation of natural resources.

96) For all the above reasons we are unable to agree with the



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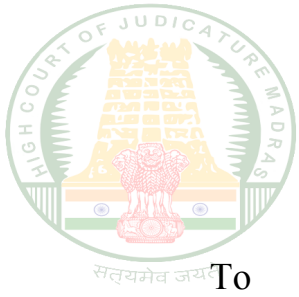
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contentions raised by the learned counsel for the petitioner. The impugned rules are justified, legally relevant and necessary. The challenge to the Rules providing for the establishment of the Green Fund fails and the writ petition stands dismissed. No costs. Consequently, connected Miscellaneous Petitions are closed.

(M.D.I.J.) (N.D.K.J.)

16.10.2026

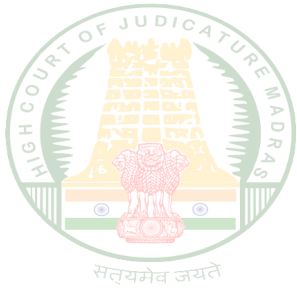
Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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1. The State of TamilNadu Represented by
Additional Chief Secretary to Government,
Industries (MMC.1) Department,
Secretariat,
Chennai - 600 009.
2. The Director
Department of Geology and Mining,
Chennai - 600 032.
3. The District Collector
Virudhunagar District,
Virudhunagar.
4. The Assistant Director
Department of Geology and Mining,
Virudhunagar District.



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W.P. (MD) No.6585/2022

M.DHANDAPANI, J.
AND
N.DILIPKUMAR, J.

MM

PRE-DELIVERY ORDER
IN
W.P. (MD) NO.6585 OF 2022

Pronounced on
16.10.2026