



IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.21719 of 2026

M/s. Indian Metals and Ferro Alloys Petitioner
Ltd. (IMFA), Bhubaneswar

Represented by Adv.
Mr. S.S. Mohanty, Advocate

-Versus-

State of Odisha and others Opp. Parties

Represented by Adv.
Mr. Sanjib Kumar Swain, Addl. Government Advocate

CORAM:
HON'BLE THE CHIEF JUSTICE
AND
HON'BLE MR. JUSTICE CHITTARANJAN DASH

ORDER
21.07.2026

Order No.

01. 1. The seminal point involved in the instant Writ Petition is an adjustment of a surplus amount lying in the account of the Government towards the assessment of royalty in relation to subsequent transactions by way of a set-off. According to the Petitioner, such assessment of royalty has been made in gross violation of the principles of natural justice, inasmuch as no opportunity of hearing was afforded to the Petitioner before the authorities proceeded to undertake such assessment.
2. We are not unmindful of the proposition of law that any decision or condition imposed upon a person must be preceded by an opportunity of hearing, as the person has a right to defend the demand so raised by the authorities. It causes greater prejudice if the principles of natural justice are tinkered with or whittled down at the executive level. Time and again, the Apex Court has highlighted the importance of adherence to the principles of natural justice before



any adjudication is made or any liability is imposed by the authorities.

3. In view of the above, we find that the Government has set off the claim towards royalty, which, according to the Government, is the obligation on the part of the lessee, and the lessee has raised an objection to such exercise, even questioning the ascertainment of the royalty with regard to future transactions. The Government cannot sit over the objections raised subsequent to the aforementioned exercise and keep the fate of the adjudication enlarged. It is high time that the Government should show alacrity in attending to the objections raised before it, without keeping them in a state of suspended animation for all time to come.

4. We, therefore, direct the Opp. Party No.3 to take a decision on the objection filed by the Petitioner on 19.06.2026 (Annexure-8) to the instant Writ Petition, within six weeks from the date of the communication of the order, upon giving a reasonable opportunity of hearing to the Petitioner and by recording a proper reasons. For abundant precaution, it is however, made clear that we had no occasion to go into the merit or the demerit of the objections and it is open to the said authority to take an independent decision on the basis of the materials produced before it.

5. The Writ Petition is accordingly disposed of.

(Harish Tandon)
Chief Justice

(Chittaranjan Dash)
Judge

