

**THE HON'BLE SRI JUSTICE A.V. SESA SAI**

**Writ Petition No.20970 of 2015**

**ORDER:**

-

This writ petition is filed under Article 226 of the Constitution of India for the following relief:

“to issue writ, order or direction, more particularly one in the nature of *Writ of Mandamus* declaring the action of Assistant Director of Mines and Geology, 3<sup>rd</sup> respondent in Demand Notice No.2040/MM.SP/2009, dt.03-06-2013 and the orders of 1<sup>st</sup> respondent in Memo.No.10879/M.I(2)/2014-4, dt.21-05-2015 partly allowing Revision filed by petitioner directing to pay normal seigniorage fee and 3 times penalty as arbitrary, illegal and in violation of principles of natural justice and A.P. Minor Mineral Concession Rules, 1966 and pass such other order or orders as the Hon'ble Court deems fit and proper in the interest of justice.”

Heard Smt. N. Shoba, learned counsel for the petitioner and learned Government Pleader for Mines and Geology for the respondents, apart from perusing the material available before the Court.

The petitioner herein is a stone crusher. According to the petitioner, it obtained all the permissions and approvals for installation of the said stone crusher and operating the same without any demur. The Assistant Director of Mines and Geology, Yerraguntla, Kadapa District, the 3<sup>rd</sup> respondent herein, issued a demand notice No.2040/TKVC/2009, dated 03-06-2013, requiring the petitioner to pay a sum of Rs.7,64,700/- towards

normal seigniorage fee and Rs.76,47,000/- towards 10 times penalty. As against the said demand notice, the petitioner preferred a revision dated 22-09-2014, before the 1<sup>st</sup> respondent-State, under Rule 35-A of the A.P. Minor Mineral Concession Rules 1966. During the pendency of the said revision, when the 3<sup>rd</sup> respondent seized the subject stone crusher of the petitioner, it filed W.P.No.32937 of 2014 before this Court. This Court disposed of the said writ petition through order dated 05-11-2014, directing the petitioner to deposit normal seigniorage fee, and further directed the revisional authority to dispose of the revision, expeditiously. According to the petitioner, the normal seigniorage fee, as directed by this Court in the said order has already been paid, and the same is also not disputed.

The 1<sup>st</sup> respondent passed orders in Memo No.10879/M.I(2)/2014-4, dated 21-05-2015, disposing of the revision filed by the petitioner herein by reducing the penalty to 3 times, instead of 10 times, as levied by the 3<sup>rd</sup> respondent. Calling in question the validity and legal sustainability of the said order passed by the 1<sup>st</sup> respondent, the present writ petition has been filed.

It is contended by the learned counsel for the petitioner that the order of the 1<sup>st</sup> respondent, which is impugned in the present writ petition; is highly arbitrary, unreasonable, illegal and violative of Article 14 of the Constitution of India. It is also the submission of the learned counsel that the 1<sup>st</sup> respondent passed the order without even considering the grounds of revision filed by the petitioner herein from proper perspective. It is further submitted that the

1<sup>st</sup> respondent did not assign any reasons, while arriving at the conclusion.

On the contrary, it is vehemently contended by the learned Government Pleader for Mines and Geology that the questioned order is strictly in conformity with the provisions of the A.P. Minor Mineral Concession Rules, 1966, and there is no illegality nor infirmity in the impugned order, and in the absence of the same, the present writ petition is not maintainable, and the petitioner is not entitled for any indulgence or interference by this Court under Article 226 of the Constitution of India. It is further submitted that duly taking into consideration the entire material available

on record, the 1<sup>st</sup> respondent has modified the order passed the 3<sup>rd</sup> respondent by reducing the penalty amount from 10 times to 3 times, as such the request of the petitioner is not amenable for any judicial review, under Article 226 of the Constitution of India.

The information available before this Court clearly and manifestly discloses that the 3<sup>rd</sup> respondent issued the demand notice on 03-06-2013, directing the petitioner herein to pay the normal seigniorage fee and also 10 times penalty. As against the said order, the petitioner filed the statutory revision before the

1<sup>st</sup> respondent, urging a number of grounds, including non-issuance of show cause notice. A perusal of the order passed by the

1<sup>st</sup> respondent clearly shows that it did not consider any one of the grounds urged by the petitioner herein in the grounds of revision.

It is a settled and well-established proposition of law that the orders of *quasi-judicial* authorities should necessarily be supported

by reasons. While dealing with the actions, which have civil and penal

consequences, the authorities are required to be more cautious. In the instant case, the same is conspicuously absent. Therefore, in the considered opinion of this Court, the writ petition is liable to be allowed.

In the facts and circumstances of the case, this Court deems it appropriate to remand the matter to the 1<sup>st</sup> respondent for fresh consideration, in accordance with law, by setting aside the impugned order.

For the foregoing reasons, and having regard to the nature of controversy involved, the writ petition is allowed, setting aside the order passed by the 1<sup>st</sup> respondent in Memo No.10879/MI(2)/2014-4, dated 21-05-2015, and the matter is remanded to the 1<sup>st</sup> respondent for fresh consideration, in accordance with law, after giving notice and opportunity of being heard to the petitioner. The 1<sup>st</sup> respondent shall pass appropriate orders within a period of two months from the date of receipt of a copy of this order. Till such exercise attains finality, no coercive action shall be taken against the petitioner.

There shall be no order as to costs.

The miscellaneous petitions, if any, filed in the writ petition shall also stand disposed of.

---

**A.V. SESA SAI, J.**

**Dt.09-07-2015.**

*KO*