

**THE HON'BLE SRI JUSTICE SANJAY KUMAR**

**WRIT PETITION No.39531 of 2015**

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**ORDER:**

The challenge in this writ petition is to the demand notice dated 16.11.2015 issued by the Assistant Director of Mines and Geology, Nandigama, whereby the petitioner was visited with liability to the tune of Rs.1,27,63,800/- comprising normal seigniorage fee of Rs.21,27,300/- and penalty of Rs.1,06,36,500/-.

Perusal of the impugned demand notice reflects that a show-cause notice was issued to the petitioner and an explanation was submitted in response thereto. However, the Assistant Director of Mines and Geology, Nandigama, baldly recorded that the said explanation was not satisfactory.

It is a settled legal position that even administrative authorities are required to support their decisions with reasons. The requirement would be all the more so when it comes to decisions of quasi-judicial authorities. When the order passed by an authority has civil consequences, the affected party would be entitled in law to be made aware of the reasons therefor. Even an appellate authority would require reasons being furnished so as to properly exercise the power of appeal. The cryptic demand notice dated 16.11.2015 issued by the Assistant Director of Mines and Geology, Nandigama, falls woefully short insofar as this requirement is concerned.

On this short ground, the impugned demand notice is set aside and the matter is remitted to the file of the Assistant Director of Mines and Geology, Nandigama, for consideration afresh. The Assistant Director of Mines and Geology, Nandigama, shall afford an opportunity of hearing to the petitioner, consider the matter in accordance with law and pass appropriate reasoned orders under due communication to the petitioner.

The writ petition is allowed to the extent indicated above. Pending miscellaneous petitions, if any, shall also stand dismissed. No order as to costs.

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**JUSTICE SANJAY KUMAR**

7<sup>th</sup> December, 2015

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