

THE HON'BLE SRI JUSTICE SANJAY KUMAR

WRIT PETITION No.38853 of 2015

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ORDER:

The petitioner company is aggrieved by the Memo dated 04.11.2015 issued by the Government of Andhra Pradesh, through its Industries and Commerce (Mines I) Department, disposing of its revision petition. The said revision was filed against the demand notice dated 20.12.2010, whereby the petitioner company was required to pay a sum of Rs.2,43,23,520/- towards normal seigniorage fee (Rs.40,53,920/-) and five times penalty (Rs.2,02,69,600/-).

Smt. N. Shoba, learned counsel for the petitioner company, would contend that the petitioner company was not afforded a proper opportunity of hearing by the revisionary authority and the various grounds urged by it along with supporting case law were not even considered.

Perusal of the impugned memo dated 04.11.2015 reflects that it is totally bereft of reasons. The revisionary authority merely stated that it was partly convinced with the contentions of the petitioner company and decided to award two times penalty instead of five times penalty. When the petitioner company was required to pay a huge sum of money pursuant to the demand notice which was impugned before the revisionary authority, a little more was expected of the revisionary authority than baldly concluding that it was partly convinced by the case put forth by the petitioner company. A cryptic order ought not to have been passed in a matter of this nature when the revisionary authority was discharging quasi-judicial functions and when its order had adverse civil consequences.

It is now a settled legal position that furnishing of reasons is one of the principles of natural justice. That being so, this Court has no hesitation in holding that the impugned memo dated 04.11.2015 did not meet the required standard.

On this short ground, the impugned memo dated 04.11.2015 is set aside and the matter is remitted to the revisionary authority for consideration afresh of the grounds urged by the petitioner company in accordance with law. The revisionary authority shall afford a proper opportunity of hearing to the petitioner company and

thereafter pass appropriate reasoned orders under due communication to the petitioner company. Pending this exercise, the impugned demand notice dated 20.12.2010 shall not be given effect to.

The writ petition is allowed to the extent indicated above. Pending miscellaneous petitions, if any, shall stand closed in the light of this final order. No order as to costs.

JUSTICE SANJAY KUMAR

7th December, 2015

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