

THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

WRIT PETITION No.9530 OF 2010

ORDER:

This Writ Petition raises a question viz., whether the respondents are justified in levying one time penalty on the seigniorage charges stated to have been deducted by the respective Departments from the bills of the petitioner under contract only on the ground that valid permits for transportation and utilisation of sand on such contract works were not procured/produced by the petitioner.

2. At the hearing, the learned Government Pleaders for Roads and Buildings and Mines & Geology have not disputed that a learned Single Judge of this Court in Order, dated 15.11.2012, in W.P.No.17998 of 2012, has held that a Contractor or the Government Department, whose works are executed by the Contractor, cannot be fastened with the duty to verify whether permits for the sale of sand were obtained by the lessees from the Mines Department and that, therefore, if there is proof that the seigniorage charges were collected by the agency, with whom the Contractor is executing the work, by way of deduction from his bills and such proof is filed before the Assistant Director of Mines & Geology concerned, no penalty shall be levied.

3. At the hearing, it has come out that the above-mentioned order has attained finality.

4. In this view of the matter, this Writ Petition is disposed of in the following terms:

- a. If the petitioner filed proof to the effect that seigniorage charges were deducted from its bills by the Departments concerned, under whom it has executed the contract work, no penalty shall be levied as per

G.O.Ms.No.84 Industries & Commerce (MI) Department,
dated 10.04.2007; and

- b. If the petitioner failed to produce such proof, the respondents are entitled to recover seigniorage charges along with one time penalty as envisaged in the aforesaid GO.

5. As a sequel to disposal of the Writ Petition, miscellaneous petitions, pending if any, shall stand disposed of as infructuous.

A. RAMALINGESWARA RAO, J

Date:19.04.2016

KH