

THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO

WRIT PETITION NOS.4973, 8452 AND 25383 OF 2010

COMMON ORDER:

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

2. At the hearing, the learned Government Pleaders for Irrigation and Mines & Geology have not disputed that a learned Single Judge of this Court in Order, dated 15-11-2012, in WP.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 seignorage 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 batch of Writ Petitions is disposed of in the following terms:

- a. If the petitioners filed proof to the effect that seignorage charges were deducted from their bills by the Departments concerned, under whom they have executed the contract works, no penalty shall be levied as per G.O.Ms.No.84 Industries &Commerce (MI) Department, dated 10-04-2007; and
- b. If the petitioners failed to produce such proof, the respondents are entitled to recover seignorage charges along with one time penalty as envisaged in the aforesaid GO.

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

DATED: 21-04-2016
Hsd

A.RAMALINGESWARA RAO, J