Neutral Citation No. (2026:JHHC:32283-DB)

IN THE HIGH COURT OF JHARKHAND AT RANCHI
W.P.(C) No. 2659 of 2017

Tata Steel Limited, through its Chief (Legal & Compliance), Smt. Meena Lall, wife of Bihari Lall, having its registered office at Bombay House, 24, Homi Mody Street, P.O. & P.S. Fort, Mumbai-400001, and having its works at P.O. & P.S Bistupur, Town Jamshedpur, District East Singhbhum. ... ... **Petitioner**

Versus

1. Mineral Area Development Authority, through its Managing Director, P.O. & P.S. Dhanbad, Town & District Dhanbad.
2. Revenue Officer-cum-Secretary, Mineral Area Development Authority, Dhanbad, P.O. & P.S. Dhanbad, Town & District Dhanbad. …. **…. ...** **Respondents**

CORAM: HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE MANOJ PRASAD

For the Petitioner : Mr Indrajit Sinha, Advocate
Mr Amitabh Prasad, Advocate
For the Respondents : Mr Rohitashya Roy, A.G.
Ms Suman Chatterjee, Advocate
Mr K. S. Nanda, Advocate
Mr Ajay Kumar Yadav, Advocate

Order No.05/ Dated: 04.11.2026
***Per* : M.S. Sonak, C.J.**

1. Heard Mr Indrajit Sinha, who appears for the petitioner and the learned Advocate General, who appears for the respondents, namely Ms Suman Chatterjee, Mr Kripa Shankar Nanda and Mr Ajay Kumar Yadav.

2. The petitioner challenges the show-cause notices dated 31.03.2017 purported to be issued under Rule 26 of the Mineral Area Development Authority Market Fee Rules, 2010 (said Rules), *inter*

alia, on the ground that such notices are without jurisdiction and, in any event, there is a pre-judgment about the petitioner being liable to pay the market fees demanded.

3. Mr Sinha submitted that the impugned notices are without jurisdiction because one of the petitioner's coal mines in 32 villages is covered by the notification issued under the said rules and two of the petitioner's processing plants are within the limits of the jurisdiction of Dhanbad Municipal Corporation and to this area, no market fees are payable.

4. The grounds now urged by the petitioner, at best, concern only a portion of the show cause notice, and involve an examination of two factual aspects. Accordingly, it would not be appropriate for us to allow the petitioner to scuttle the proceedings at the very threshold. The petitioner may always raise all permissible defences, including the defence of alleged lack of jurisdiction over the portion of the market fees in respect of which the show-cause notices have been issued.

5. In ***Special Director and Another Vs. Mohd. Ghulam Ghouse and Another,*** reported in ***(2004) 3 SCC 440***, the Hon'ble Supreme Court held that unless the High Court is satisfied that the show-cause notice was totally non est in the eye of the law for an absolute want of jurisdiction of the authority even to investigate the facts, the writ petition should not be entertained merely on the basis of the request and as a matter of routine. The writ petitioner should invariably be directed to respond to the show-cause notice and raise all defences

and contentions highlighted in the writ petition. Whether the show-cause notice was founded on any legal premises is a jurisdictional issue that the recipient can urge before the authority issuing the notice. Such issues can also be adjudicated by the authority initially issuing the notice.

6. In ***Maha Nagar Telephone Nigam Limited v. Chairman, Central Board of Direct Taxes, and another,*** reported in ***(2004) 6 SCC 431***, the Hon'ble Supreme Court held that it was settled law that litigation in response to show-cause notices should not be encouraged. The Court further held that the appellant's right was not affected by the mere issue of the show-cause notice.

7. In ***Malladi Drugs & Pharma Limited v. Union of India and another,*** reported in ***(2020) 12 SCC 808,*** the Hon'ble Supreme Court held that the High Court was absolutely correct in dismissing the writ petition on the basis of a mere show-cause notice. The High Court, in the impugned judgment, held that the appellant should first raise all objections before the authority that issued the show-cause notice.

8. In ***the State of Maharashtra Vs. Gradeship (India) Limited***, reported in ***(2022) 17 SCC 332,*** the Hon'ble Supreme Court, after referring to its earlier precedents, held that Article 226 is not meant to short-circuit or circumvent statutory procedures. It is only when statutory remedies are entirely ill-suited to meet the demands of extraordinary situations, for instance, where the very vires of the statute is in question, or where private or public wrongs are so

inextricably mixed up that the prevention of public injury and the vindication of public justice require it, that recourse may be had to Article 226 of the Constitution. But even then, the Court must have good and sufficient reason to bypass an alternative remedy provided by the statute. Surely, matters involving revenue, where statutory remedies are available, are not such matters.

9. The Hon'ble Supreme Court, after referring to its earlier precedent in ***United Bank of India Vs. Satyabati Tandon and others,*** reported in ***(2010) 8 SCC 110***, observed that "*we can also take judicial notice of the fact that the vast majority of petitions under Article 226 are filed solely for the purpose of obtaining interim orders and thereafter, prolonging the proceedings by one device or the other. This practice certainly needs to be strongly discouraged."*

10. The argument that the impugned show cause notices were issued with a closed mind, or that they prejudged the issue, is also unacceptable. The statement that the petitioner is liable to pay market fees is merely a *prima facie* opinion. This is immediately followed by the grant of an opportunity to the petitioner to show cause. The notices were issued under rule 26 of the said Rules, which provides for an opportunity of hearing to the assessees. Therefore, even this cannot be a ground for interfering with the impugned show cause notice.

11. For the above reasons, we decline to entertain this petition, as it is directed against the mere issue of show-cause notices. However, we

clarify that the petitioner may raise all permissible pleas, including those raised in this petition.

12. If such response is filed and such pleas are raised, the appropriate authority will, needless to add, consider and decide upon them in accordance with law and on their own merits. We further clarify that we have not examined the merits of the matter at this stage; therefore, all contentions of all parties are explicitly left open.

13. The petitioner is granted four weeks' time to respond to the show-cause notice, if no such response has already been filed.

14. The petition is disposed of with the above clarification and without any order for costs.

(M. S. Sonak, C.J.)

(Manoj Prasad, J.)

November 4th , 2026
BS/Madhav/-