



CGHC010248562026

2026:CGHC:28090-DB

**NAFR****HIGH COURT OF CHHATTISGARH AT BILASPUR****WPC No. 3517 of 2026**

M/s Sahil Enterprises R/o Valmiki Chowk, Near Gupta Plastic Sanichi  
Padav Gondpara Chhattisgarh, Through Its Proprietor Shri Sahil Gupta

**... Petitioner(s)****versus**

**1** - State Of Chhattisgarh Through The Secretary, Forest Department,  
Mahanadi Bhawan, Naya Raipur Atal Nagar, District Raipur  
Chhattisgarh

**2** - Chief Conservator Of Forest Indrawati Bhawan, Naya Raipur, Atal  
Nagar, District Raipur Chhattisgarh

**3** - Divisional Forest Officer District Gaurela-Pendra-Marwahi  
Chhattisgarh

**4** - The Collector (Mining Branch) District Gaurela-Pendra-Marwahi  
Chhattisgarh

**5** - Mining Officer Office Of The Collector (Mining Branch), District  
Gaurela-Pendra-Marwahi Chhattisgarh

**6** - Director Mining Department, Indrawati Bhawan Block D, Second  
Floor, Naya Raipur, Atal Nagar, District Raipur Chhattisgarh

**... Respondent(s)**

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For Petitioner(s) : Mr.Ashish Shrivastava, Senior Advocate  
assisted by Mr.Udit Khatri, Advocate

For Respondent(s) : Mr.P.K.Bhaduri, Deputy Advocate General

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**Hon'ble Shri Ramesh Sinha, Chief Justice**  
**Hon'ble Shri Ravindra Kumar Agrawal, Judge**

**Order on Board**

**Per Ramesh Sinha, Chief Justice**

**08.07.2026**

1. Heard Mr.Ashish Shrivastava, learned Senior Advocate assisted by Mr.Udit Khatri, learned counsel for the petitioner. Also heard Mr.P.K.Bhaduri, learned Deputy Advocate General appearing for the respondents/State.
2. By way of this writ petition, the petitioner has prayed for following reliefs:-

*“10.1 It is prayed that this Hon'ble Court may kindly be pleased to call for the entire records pertaining to the case of the Petitioner Company from the possession of respondents for its kind perusal.*

*10.2 That, this Hon'ble Court may kindly be pleased to issue an appropriate writ quashing and setting aside the impugned recovery order dated 16.06.2026 (Annexure A/1), 08.06.2026 (Annexure A/2) issued respondent no. 3 & memo/letter dated 26.05.2026 (Annexure A/3) issued by respondent no. 4, being illegal and arbitrary and inoperative in law.*

*10.3 That, this Hon'ble Court may kindly be pleased to issue appropriate directions to Respondent authority for release of outstanding payment of the Petitioner.*

*10.4 Any other relief/reliefs, which this Hon'ble Court may think fit. and proper in the facts and circumstances of the case, with cost of the petition, may also please be granted to the petitioner.”*

3. Brief facts of the case are that during the financial year 2019-20, the State Government of Chhattisgarh, Department of Forest, through the Divisional Forest Officer (DFO), Marwahi Forest Division, invited tenders for supply of material for construction of an anicut under the CAMPA Scheme. The Petitioner participated in the tender process and submitted its tender on **08.11.2019**.
4. Pursuant to the tender conditions, the Petitioner was required to supply the material at the designated site within the prescribed period. The Divisional Forest Officer, Marwahi Division, issued a work order dated 09.12.2019 in favour of the Petitioner specifying the required materials, quantity, and location of supply for construction of the East-West Rail Corridor anicut under the CAMPA Scheme. The Petitioner duly supplied the required material within the stipulated time and submitted running bills before the Respondent Department. After due verification, the Respondent authorities released the payments against the bills submitted by the Petitioner. The Petitioner also submitted the requisite royalty receipts and challans before the concerned Forest Range Officers, which were subsequently forwarded to the higher authorities.
5. One Shri Pushpraj Singh submitted complaints before the authorities alleging non-payment of royalty amount by the Petitioner. On the basis of such complaints, an enquiry was initiated by the Department. However, the said enquiry was

conducted without issuing any notice or providing any opportunity of hearing to the Petitioner.

6. During the pendency of WPPIL No. 95/2023 filed by the said complainant, the State submitted an enquiry report dated 15.10.2024, assessing an alleged recovery of Rs. 1,00,24,520.67/- against the Petitioner. The said enquiry report was prepared without following the principles of natural justice and without considering the documents submitted by the Petitioner. Thereafter, the Respondents issued demand notices dated 13.11.2024 and 09.12.2024 against the Petitioner without issuing any show cause notice or providing an opportunity of hearing. Aggrieved thereby, the Petitioner approached this Court by filing WP(C) No. 155/2025. This Court, vide order dated 31.01.2025, allowed the writ petition and quashed the aforesaid demand notices on the ground of violation of principles of natural justice. However, liberty was granted to the Respondents to initiate fresh proceedings in accordance with law after issuing proper notice and providing an opportunity of hearing to the Petitioner.
7. Pursuant to the said order, the Petitioner was called upon to submit its reply. The Petitioner submitted detailed representations dated 14.07.2025 and 03.12.2025 along with royalty receipts, challans, transportation permits, and other supporting documents, demonstrating that all royalty documents had already been submitted before the Forest Department. Despite receipt of the

Petitioner's detailed replies and documentary evidence, the Respondent authorities failed to consider the same and did not pass any reasoned or speaking order. Instead, the Respondents mechanically relied upon the earlier enquiry report dated 15.10.2024, which had already formed the basis of the demand notices quashed by this Court. Thereafter, the Collector (Mining Branch), vide communication dated 26.05.2026, directed recovery of Rs.1,00,24,520.67/- from the Petitioner without considering the Petitioner's defence. Acting upon the said communication, the DFO, Marwahi Division, issued recovery order dated 08.06.2026, directing the Petitioner to deposit the aforesaid amount within seven days and further ordered stoppage of pending payments and forfeiture of security deposits.

8. The Petitioner submitted a representation dated 15.06.2026 bringing on record that all royalty receipts and supporting documents had already been furnished and requested withdrawal of the recovery proceedings and release of pending payments. However, without considering the said representation, the Respondents issued another recovery order dated 16.06.2026, reiterating the earlier demand in a mechanical manner.
9. The impugned recovery orders dated 08.06.2026 and 16.06.2026, along with the communication dated 26.05.2026, are illegal, arbitrary, and violative of the principles of natural justice, Article 14, Article 19(1)(g), and Article 21 of the Constitution of India. The

Respondents have failed to comply with the directions issued by this Court and the mandatory provisions of the Mines and Minerals (Development and Regulation) Act, 1957 (for short 'MMDR Act') and the Chhattisgarh Minor Mineral Rules, 2015 (for short 'Rules of 2015'). Hence, this petition.

10. Learned Senior Advocate for the Petitioner submits that the impugned recovery order dated 16.06.2026 (Annexure P/1), recovery order dated 08.06.2026 (Annexure P/2) issued by Respondent No. 3, and the communication/order dated 26.05.2026 (Annexure P/3) issued by Respondent No. 4 are wholly illegal, arbitrary, unreasonable, and contrary to the settled principles of law. The impugned actions are in clear violation of Articles 14, 19(1)(g), and 21 of the Constitution of India, as well as the principles of natural justice. The said orders are also vitiated by mala fide exercise of power, colourable exercise of jurisdiction, and have been issued with an oblique motive to unlawfully recover an amount from the Petitioner despite the Petitioner having fulfilled its contractual obligations. Learned Senior Advocate further submits that the impugned recovery orders are nothing but a mechanical and colourable revival of the earlier demand notices dated 13.11.2024 and 09.12.2024, which were specifically quashed by this Court vide order dated 31.01.2025 passed in WPC No.155/2025. This Court had granted liberty to the Respondents to initiate fresh proceedings strictly in accordance with law by issuing a proper show cause notice, granting reasonable opportunity of

hearing, and thereafter passing a reasoned and speaking order under Section 21(5) of the MMDR Act. However, instead of complying with the directions of this Court, the Respondents have merely attempted to revive the already quashed demand under the guise of fresh proceedings, which is impermissible in law.

11. Learned Senior Advocate submits that the Respondent authorities have failed to comply with the mandatory statutory procedure prescribed under the MMDR Act and the Rules, 2015. The earlier enquiry report dated 15.10.2024, which formed the basis of the impugned recovery proceedings, was prepared without issuing any notice or providing an opportunity of hearing to the Petitioner. Even after the order passed by this Court, the Respondents failed to undertake a lawful adjudication and proceeded mechanically on the basis of the same defective enquiry report.

12. Learned Senior Advocate contended that the Petitioner had submitted detailed representations dated 14.07.2025, 03.12.2025, and 15.06.2026, along with relevant documentary evidence including royalty receipts, transportation permits, royalty lists, and other supporting documents, demonstrating that the Petitioner had duly complied with all statutory requirements. However, the Respondents failed to consider the said representations and documentary evidence in their proper perspective and, without recording any finding regarding the authenticity or validity of the documents produced by the Petitioner, proceeded to pass the

impugned orders solely relying upon the earlier enquiry report. He further contended that the communication dated 26.05.2026 issued by the Collector (Mining Branch), which forms the foundation of the subsequent recovery order dated 08.06.2026, is not a speaking or reasoned order. The said communication does not disclose any independent application of mind, does not deal with the defence raised by the Petitioner, does not examine the documents submitted by the Petitioner, and does not record any reason as to how the alleged liability has been determined. Such an unreasoned communication cannot form the basis for imposing a huge financial liability upon the Petitioner.

13. Learned Senior Advocate also contended that the Respondents have consistently failed to follow the mandatory requirements of law at every stage of the proceedings. The enquiry conducted earlier was in violation of Rule 70 of the Rules, 2015, and the subsequent proceedings, despite the specific directions of this Court, have also been conducted in complete disregard of the prescribed procedure. The impugned orders, therefore, suffer from procedural illegality and are liable to be set aside. He further contended that the impugned recovery orders have been passed in gross violation of the fundamental principle of *audi alteram partem*. Although this Court specifically directed the Respondents to provide a meaningful opportunity of hearing to the Petitioner, the Respondents reduced such opportunity to a mere formality. The Petitioner submitted detailed replies supported by voluminous

documentary evidence; however, the Respondents neither conducted any proper adjudication nor recorded any findings on the defence raised by the Petitioner. The mechanical reiteration of earlier conclusions, without independent consideration, amounts to denial of fair hearing and violation of principles of natural justice. Learned Senior Advocate lastly submits that the impugned orders have caused serious prejudice to the Petitioner by directing recovery of an exorbitant amount of Rs. 1,00,24,520.67/-, stoppage of pending payments, and forfeiture of security deposits, despite there being no adjudication establishing any liability against the Petitioner in accordance with law. The action of the Respondents is arbitrary, unreasonable, and contrary to the constitutional guarantees available to the Petitioner. Therefore, the impugned recovery order dated 16.06.2026, recovery order dated 08.06.2026, and communication dated 26.05.2026 deserve to be quashed and set aside by this Court in exercise of its jurisdiction under Article 226 of the Constitution of India.

14. On the other hand, learned Deputy Advocate General appearing for the respondents/State opposes the submissions advanced by learned Senior Advocate for the Petitioner and submits that the present writ petition is devoid of merit and liable to be dismissed. It is contended that the impugned action has been taken strictly in accordance with law and in due compliance with the directions issued by this Court. It is submitted that the earlier demand notices issued by the authorities were challenged by the Petitioner in WPC

No. 155/2025, wherein this Hon'ble Court vide order dated 31.01.2025 set aside the said notices only on the ground of violation of principles of natural justice and granted liberty to the Respondent authorities to initiate fresh proceedings after affording due opportunity of hearing to the Petitioner. Learned State Counsel further submits that pursuant to the liberty granted by this Court, the Petitioner was granted adequate opportunity to submit his explanation and supporting documents. The Petitioner submitted his replies dated 14.07.2025 and 03.12.2025, which were duly examined by the competent authority. It is contended that the allegation of denial of opportunity of hearing is contrary to the material available on record. Upon scrutiny of the documents and the enquiry conducted by the competent authority, it was found that the Petitioner had utilized 31,880.89 cubic meters of minor mineral (stone/grit) in the construction works under the CAMPA Scheme, whereas valid royalty documents were produced only for 13,002.32 cubic meters. Despite sufficient opportunity, the Petitioner failed to produce valid royalty receipts, challans, or online royalty details in respect of the remaining quantity of 18,878.57 cubic meters.

15. Learned State Counsel contended that the documents relied upon by the Petitioner were duly considered by the enquiry committee and were found to be the same documents which had already been submitted before the Department earlier. No fresh or convincing material was produced by the Petitioner to establish payment of royalty for the disputed quantity of minerals. It is

submitted that the determination of the recoverable amount was not made mechanically but was based upon the enquiry report, departmental records, and the directions issued by this Court in WPPIL No. 95/2023. He further contended that the impugned proceedings are intended to safeguard public revenue and ensure compliance with the provisions of the MMDR Act and the applicable minor mineral rules. The Petitioner, having failed to establish payment of royalty for the entire quantity of minerals utilized, cannot evade his statutory liability. It is contended that the principles of natural justice stand duly complied with, and mere adverse consequences of a lawful decision cannot be construed as violation of such principles. Lastly, learned State Counsel submits that the impugned orders have been passed by the competent authorities after considering the relevant material available on record and following the procedure prescribed under law. The orders neither suffer from arbitrariness nor disclose any mala fide intention or colourable exercise of power. Therefore, no interference under Article 226 of the Constitution of India is warranted, and the writ petition deserves to be dismissed.

16. We have heard learned counsel appearing for the parties, perused the impugned orders and other documents appended with writ petition.
17. It is not in dispute that the Petitioner was engaged for supply of minor minerals for construction works under the CAMPA Scheme

and that certain proceedings were initiated against the Petitioner regarding alleged non-payment of royalty. It is also not in dispute that the earlier demand notices dated 13.11.2024 and 09.12.2024 were challenged by the Petitioner in WPC No.155/2025, which came to be allowed by this Court vide order dated 31.01.2025 only on the ground of violation of principles of natural justice. While quashing the said notices, this Court granted liberty to the Respondent authorities to proceed afresh in accordance with law after providing an opportunity of hearing to the Petitioner.

18. Pursuant to the aforesaid liberty granted by this Court, the Respondent authorities initiated fresh proceedings and afforded opportunity to the Petitioner to submit its explanation. The record indicates that the Petitioner submitted replies dated 14.07.2025 and 03.12.2025 along with certain documents relating to royalty payment. The said documents were considered by the competent authority and the enquiry committee.

19. From the material placed on record, it is evident that the total quantity of minor mineral (stone/grit) utilized by the Petitioner in the construction works was assessed at 31,880.89 cubic meters. However, upon verification of the documents submitted by the Petitioner, valid royalty receipts were found available only for 13,002.32 cubic meters. In respect of the remaining quantity of 18,878.57 cubic meters, the Petitioner failed to produce any valid royalty receipts, challans, online royalty details, or other supporting

documents establishing payment of royalty, despite having been granted sufficient opportunity pursuant to the order dated 31.01.2025 passed by this Court.

20. The contention of the Petitioner that the documents submitted by it were not considered cannot be accepted, as the record reflects that the documents and explanations furnished by the Petitioner were duly examined. The enquiry committee found that the list of royalty receipts submitted by the Petitioner was merely a repetition of the earlier list already available with the Department and did not contain any additional material to substantiate the claim of payment of royalty for the disputed quantity.

21. This Court is of the considered view that the Respondent authorities, after the earlier order passed by this Court, have followed the procedure prescribed by law and provided reasonable opportunity to the Petitioner to present its case. The Petitioner cannot claim violation of principles of natural justice merely because the final conclusion has gone against it. The requirement of natural justice is to provide a fair opportunity of hearing, which, in the present case, has been duly complied with.

22. The determination of the amount recoverable from the Petitioner is based upon the enquiry report, the verification of available records, and the material placed before the competent authority. The proceedings have also been initiated in the backdrop of the directions passed by this Court in WPPIL No.95/2023 and the

requirement of safeguarding public revenue. No material has been brought on record by the Petitioner to demonstrate that the findings recorded by the authorities are perverse or based on irrelevant considerations.

23. The submission of the Petitioner that the impugned orders are merely a revival of the earlier quashed demand notices also cannot be accepted. The earlier notices were set aside only due to procedural infirmity, with specific liberty granted to the Respondents to conduct fresh proceedings after granting opportunity of hearing. The impugned proceedings are the outcome of such fresh consideration undertaken by the authorities pursuant to the directions of this Court.

24. Accordingly, this Court finds that the impugned recovery orders have been passed after providing due opportunity of hearing to the Petitioner and after consideration of the relevant material available on record. The Petitioner has failed to establish payment of royalty in respect of the entire quantity of minerals utilized by it. Therefore, no case for interference under Article 226 of the Constitution of India is made out.

25. Accordingly, the writ petition, being devoid of merit, is hereby **dismissed**. There shall be no order as to costs.

Sd/-

**(Ravindra Kumar Agrawal)**  
**Judge**

Sd/-

**(Ramesh Sinha)**  
**Chief Justice**