IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.15549 of 2025

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M/s Jai Mata Di Enterprises Through its sole Proprietor, Shri Gopal Prasad, Male, aged about 58 years, son of Late Mani Lal, Resident of Hanuman Complex, Main Road, Nawada, P.S.- Nawada, District- Nawada, Bihar-805110.

... ... Petitioner

Versus

1. The State of Bihar through the Principal Secretary, Department of Mines and Geology, Government of Bihar, Patna.
2. The Principal Secretary, Department of Mines and Geology, Government of Bihar, Patna.
3. The Director, Department of Mines and Geology Department, Government of Bihar, Patna.
4. The Bihar State Mining Corproration Limited, A Government of Bihar Undertaking, Room No. 164, Vikas Bhawan (New Secretariat), Bailey Road, Patna- 800015 through its General Manager.
5. The Chief Executive Officer, Bihar State Mining Corporation, Patna.

... ... Respondents

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Appearance :

For the Petitioner	:	Mr. Satyabir Bharti, Sr. Advocate Ms. Kanupriya, Advocate Ms. Aastha Prakash, Advocate Mr. Abhishek Anand, Advocate
For the State	:	Mr. Deeptak Kumar, AC to GP-4
For the BSMCL	:	Mr. Ranjeet Kumar Pandey, Advocate
For the Mines	:	Mr. Naresh Dikshit, Spl. P.P. Mr. Brij Bihari Tiwari, Advocate Ms. Shruti Singh, Advocate

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CORAM: HONOURABLE MR. JUSTICE SANDEEP KUMAR

C.A.V. JUDGMENT

Date : 16-04-2026

The writ petitioner, by way of the present petition, has prayed for the following reliefs:-

> *a. Issue a writ of mandamus, directing the Respondents to release the remaining 25% of the freight charges of Rs.18,51,998/-, along with interest @*

18% from the date it became due till the date of actual payment, in view of the order dated 02.08.2022 passed by the Chief Executive Officer, Bihar State Mining Corporation, by which it was directed that the petitioner would presently be paid 75% of the total amount of freight charges payable to the petitioner as the audit work has not been completed:

b. Pass any other order or direction as may be deemed fit and proper in the facts and circumstances of the case."

2. The brief facts relevant for the present purpose is that petitioner had participated in auction of sand *ghat* in the district of Nawada and the sand *ghat* was settled in favour of the petitioner from 01.01.2015 for a period of five years ending on 31.12.2019. Subsequently, the Department of Mines and Geology, Government of Bihar issued an order dated 08.01.2018 directing all the settlees to arrange transportation of 1,00,000 cubic feet (CFT) of good quality of sand from the sand *ghats* to the buffer stock depots of the Bihar State Mining Corporation Limited in the designated districts. The aforesaid order dated 08.01.2018 reads as under:-

"बिहार सरकार

खान एवं भूतत्त्व विभाग।

आदेश।

आज दिनांक–08.01.2018 को बालू के

बन्दोवस्तधारियों के साथ विमर्शोपरान्त यह निर्णय लिया गया कि राज्य के सभी Buffer Stock में बालू का व्यवस्था उनके माध्यम से किया जायेगा। इस सम्बन्ध में जिलावार विवरणी संलग्न है, जहाँ Buffer Stock हेतु जमीन उपलब्ध है। सम्बन्धित बन्दोवस्तधारी घाट से Buffer Stock तक परिवहन की व्यवस्था करेंगे। विशेष परिस्थिति में परिवहन की व्यवस्था नहीं होने पर खान एवं भूतत्व विभाग में सूचीबद्ध परिवहनकर्ता के माध्यम से यह कार्य किया जायेगा। तत्काल सभी बन्दोवस्तधारी के द्वारा सम्बन्धित जिला के Buffer Stock में 100000cft (एक लाख घन फीट) अच्छे किस्म का बालू भेजना सुनिश्चित करेंगे। उनको यह भी ध्यान रखना है कि अन्य ग्राहकों को बालू उपलब्ध करने से पहले Buffer Stock के लिए बालू आपूर्ति करना अनिवार्य है।

संबंधित जिला के डीपो मैनेजर यह सुनिश्चित करेंगे की परिवहनकर्त्ता द्वारा बालू पहुँचानें पर उसका प्राप्ति रसीद दिया जायेगा। इसका पंजी के विहित प्रपत्र में रक्षित करेंगे तथा दैनिक प्रतिवेदन अद्योहस्ताक्षरी को समर्पित करेंगे।

सम्पूर्ण व्यवस्था के अनुपालन के संबंध में अधोहस्ताक्षरी के द्वारा अगले आदेश तक सभी बन्दोबस्तधारी या उनके प्रतिनिधि के साथ प्रतिदिन समीक्षात्मक बैठक 05.00 बजे अपराह्न में करेंगे।

ह०/
(असंगबा चुबा आओ)
विशेष सचिव–सह–निदेशक।"

3. Subsequently, the above-quoted order dated 08.01.2018 was amended and a revised list of settlees was issued *vide* order dated 10.01.2018 expanding the list of designated districts wherein at Serial Nos.11 to 16, the petitioner was also required to supply sand to the buffer stock in the newly assigned districts.

4. In compliance of the aforesaid order, the petitioner supplied sand to the buffer stock depots in the assigned districts in the month of January, February and July of the year 2018, and in lieu thereof had incurred substantial financial expenses, which according to the petitioner, was equal to Rs.97,04,653/-.

5. It is the case of the petitioner that he had complied with the orders of the respondent authorities for transportation of sand for which fright charges were payable by the Bihar State Mining Corporation Limited but despite the completion of the work, the legitimate dues of the petitioner were withheld. It is further the case of the petitioner that he had made multiple requests and communications, however despite the repeated reminders, the amount was not released and therefore the petitioner preferred a writ petition being ***C.W.J.C No. 10920 of 2021*** titled as ***'M/s Jai Mata Di Enterprises vs. The State of Bihar & Ors.'*** seeking direction for payment of outstanding freight charges along with interest at the rate of 18% per annum. The Division Bench of this Court *vide* order dated 04.01.2022 had disposed of the aforesaid writ with certain directions.

6. It would be relevant to quote the entire order dated 04.01.2022 passed in ***C.W.J.C No. 10920 of 2021*** titled as ***'M/s Jai Mata Di Enterprises vs. The State of Bihar & Ors.'***, which reads as under:-

> *"Heard learned counsel for the parties.*
>
> *Petitioner has prayed for the following*

relief(s):-

"(i) Issuance of a writ of mandamus, directing the respondents to pay the freight charges borne by the petitioner along with accrued interest @ 18% per annum, from the date it became due till the date of actual payment in transporting sand from the Sand Mines to the depots of the Bihar State Mining Corporation Limited for the months of January, February, 2018 & July, 2018 amounting to Rs.97,04,653/- (Annexure-.2.,page..18);

ii. To pass such other order(s), direction(s) as your Lordships may deem fit and proper in the facts and circumstances of the case.

After the matter was heard for some time, learned counsel for the petitioner, under instructions, states that petitioner shall be content if a direction is issued to the authority concerned to consider and decide the representation which the petitioner shall be filing within a period of four weeks from today for redressal of the grievance(s).

Learned counsel for the respondents states that if such a representation is filed by the petitioner, the authority concerned shall consider and dispose it of expeditiously and preferably within a period of three months from the date of its filing along with a copy of this order.

<u>Statement accepted and taken on record.</u>

As such, petition stands disposed of in the following terms:-

(a) Petitioner shall approach the authority concerned i.e Respondent No. 3, namely Bihar State Mining Corporation Limited, A Government of Bihar Undertaking, Room No. 164, Vikas Bhawan (New Secretariat), Bailey Road, Patna-800015 through its General Manager within a period of four weeks from today by filing a representation for redressal of the grievance(s);

(b) The said authority shall consider and dispose it of expeditiously by a reasoned and speaking order preferably within a period of three months from the date of its filing along with a copy of this order;

(c) ***<u>Needless to add, while considering such representation, principles of natural justice shall be followed and due opportunity of hearing afforded to the parties;</u>***

(d) Equally, liberty is reserved to the petitioner to take recourse to such alternative remedies as are otherwise available in accordance with law;

(e) We are hopeful that as and when petitioner takes recourse to such remedies, as are otherwise available in law, before the appropriate forum, the same shall be dealt with, in accordance

with law and with reasonable dispatch;

(f) ***Liberty reserved to the petitioner to approach the appropriate forum, if the need so arises subsequently on the same and subsequent cause of action;***

(g) We have not expressed any opinion on merits. All issues are left open;

(h) The proceedings, during the time of current Pandemic-Covid-19 shall be conducted through digital mode, unless the parties otherwise mutually agree to meet in person i.e. physical mode;

The petition stands disposed of in the aforesaid terms.

Interlocutory Application(s), if any, stands disposed of" (emphasis supplied).

7. The petitioner, in compliance of the afore-quoted order dated 04.01.2022, submitted a detailed representation, enclosing relevant documents, requesting the respondent authorities to disburse the outstanding amount. The Chief Executive Officer, Bihar State Mining Corporation Limited, vide order dated 02.08.2022 directed that since the audit work for the financial year 2017-18 and 2018-19 is still pending, therefore, for the present, 75% of the outstanding amount would be paid to the petitioner after obtaining necessary approval from the competent authority.

8. The office order dated 02.08.2022 passed by the Chief Executive Officer, Bihar State Mining Corporation Limited reads as under:-

"कार्यालय आदेश

1. *मेसर्स जय माता दी इंटरप्राइजेज, हनुमान कॉम्पलेक्स, मेन रोड, नवादा–605110 द्वारा बिहार स्टेट माइनिंग कॉरपोरेशन लिमिटेड के विभिन्न बफर स्टॉक में माह जनवरी, फरवरी एवं जुलाई 2018 में बालू का परिवहन किया गया था। मेसर्स जय माता दी इंटरप्राइजेज द्वारा किये गये परिवहन के विरूद्ध परिवहन शुल्क की राशि के भुगतान हेतु माननीय उच्च न्यायालय, पटना में रिट याचिका CWJC No-10920/2021 दायर किया गया था।*
२. *माननीय उच्च न्यायालय द्वारा दिनांक 04.01.2022 को इस मामले में गुण–दोष पर विचार किये बिना याचिकाकर्ता को बिहार स्टेट माइनिंग कॉरपोरेशन लिमिटेड के संबंधित प्राधिकार के समक्ष अभ्यावेदन समर्पित करने का निर्देश दिया गया, जिसके आलोक में याचिकाकर्ता द्वारा अभ्यावेदन समर्पित किया गया।*
3. *माननीय उच्च न्यायालय के उक्त आदेश के आलोक में प्रबंध निदेशक द्वारा इस मामले की सुनवाई के लिए मुख्य कार्यपालक पदाधिकारी को प्राधिकृत किया गया। इस प्रकार इस वाद की कार्यवाही प्रारंभ की गई है।*
4. *अपने अभ्यावेदन में वादी ने कहा है कि उनके द्वारा किये गये बालू के परिवहन शुल्क का भुगतान किया जाय। वादी ने दिनांक 08.04.2022 को स्वयं उपस्थित होकर अपना पक्ष रखा।*
5. *बिहार स्टेट माइनिंग कॉरपोरेशन लिमिटेड की ओर से लेखापाल द्वारा इस मामले पर अपना पक्ष रखा गया और मेसर्स जय माता दी इंटरप्राइजेज द्वारा विभिन्न बफर स्टॉक केन्द्रों में माह जनवरी फरवरी एवं जुलाई 2018 में बालू आपूर्ति एवं परिवहन शुल्क की राशि की बात पर सहमति व्यक्त की गई।*
6. *निगम के विभिन्न बफर स्टॉक में वादी द्वारा आपूर्ति बालू में प्रयुक्त वाहन की सूची विभागीय PMU द्वारा उपलब्ध कराई गयी थी, जिसकी जाँच हेतु निगम के पत्रांक 1114 दिनांक 11.04.2022 द्वारा जिला परिवहन पदाधिकारी, पटना से अनुरोध किया गया था। लेखापाल द्वारा सूचित किया गया कि खनिज परिवहन में प्रयुक्त वाहनों का सत्यापन प्रतिवेदन जिला परिवहन कार्यालय, पटना के पत्रांक 2129 दिनांक 20.04.2022 द्वारा फॉर्म 24 में प्राप्त हो गया है।*
7. *लेखापाल द्वारा यह भी बताया गया कि जिला परिवहन कार्यालय द्वारा फॉर्म–24 में उपलब्ध कराए गये प्रतिवेदन का मिलान विभागीय PMU द्वारा संधारित रिकार्ड से किया गया, जो सही पाया गया।*
8. *लेखापाल द्वारा बिहार स्टेट माइनिंग कॉरपोरेशन लिमिटेड के वित्तीय वर्ष 2017–18 एवं 2018–19 का सांविधिक अंकेक्षण कार्य सम्पन्न नहीं होने के तथ्य के आलोक में वादी को कुल भुगतेय राशि का तत्काल 75 प्रतिशत राशि भुगतान करने का अनुरोध किया गया,*

जो उचित प्रतीत होता है।

9. अतः वादी के अभ्यावेदन के आधार पर कुल भुगतेय राशि का 75 प्रतिशत राशि के भुगतान पर सक्षम प्राधिकार की स्वीकृति प्राप्त कर ली जाय। उपरोक्त के अनुसार यह अभ्यावेदन निष्पादित किया जाता है।

ह०/-
गोपाल मीणा
मुख्य कार्यपालक पदाधिकारी
बिहार स्टेट माइनिंग कॉरपोरेशन लि०"

9. Accordingly, the General Manager, Bihar State Mining Corporation Limited, vide his letter dated 02.09.2022 sanctioned a payment of Rs.55,55,992/- being 75% of the payable amount, and after deducting an amount of Rs. 1,65,998/- towards GST, a sum of Rs. 53,90,004/- was disbursed in favour of the petitioner.

10. The learned Senior Counsel for the petitioner submits that even after lapse of more than three years from the date of disbursement of the earlier part payment of 75% of the admitted dues, the remaining 25% amount due and payable to the petitioner has not been released, for which the petitioner had filed representations dated 16.05.2024 and 02.07.2024 before the Competent Authority, yet no meaningful action has been taken by the respondent authorities.

11. It is the next submission of the learned Senior Counsel for the petitioner that during the pendency of the present writ petition, the respondent authorities, acting in haste, issued order dated 10.11.2025 whereby the total due and payable amount was arbitrarily reduced to Rs. 64,67,690/- and the balance amount of Rs. 9,11,698/- was disbursed in favour of the petitioner. It is emphasized by the learned Senior Counsel for the petitioner that once the amount stood admitted and partially acted upon by the respondent authorities, it was not open for the respondents to unilaterally change and effect a downward revision. The act of re-opening the calculation to diminish the crystallized claim of the petitioner by the respondents is unsustainable in the eyes of law and is violative of Article 14 and 300A of the Constitution of India.

12. It is submitted that even otherwise, the payment of Rs. 55,55,992/- after lapse of four years and Rs.9,11,698/- after lapse of seven years of it becoming due and payable, the respondents have failed to make any payment towards interest on delayed payments. The learned Senior Counsel for the petitioner points to the fact that the respondent department itself charges interest at the rate of 24% per annum on delayed payments of due installments under Rule 43A of the Bihar Minor Mineral Concession Rules, 1972 and Rule 29B(4) of the Bihar Minerals (Concession, Prevention and Illegal Mining, Transportation & Storage) Rules, 2019 from the lessee holders. The learned Senior Counsel for the petitioner has placed reliance on ***Rajnish Sharma vs. M/s Business Park Town Planners Ltd***. reported as neutral citation ***2025 INSC 1149 (Civil Appeal No. 3988 of 2023)***, to contend that delay in payments which is attributable to the arbitrary conduct and shifting stands or unjustified withholding of money by the State, entitles the aggrieved party to interest which meaningfully compensates the prejudice suffered.

13. It is further argued by the learned Senior Counsel for the petitioner that the award of interest on delayed payment would not be penal, but rather compensatory in nature since the respondents have deliberately delayed the payments which were due and payable to the petitioner.

14. Lastly, the learned Senior Counsel for the petitioner has submitted that once the amount stood admitted and partially acted upon by disbursing 75% of the amount in favour of the petitioner, the respondents were under a legal obligation to release the balance amount expeditiously. The prolonged withholding of the amount due and payable to the petitioner from the year 2018 itself and the arbitrary and unilateral reduction of the admitted amount is merely selective denial on the part of the respondents and therefore, the petitioner deserves the payment of original admitted amount and the interest on the delayed payments.

15. A counter affidavit has been filed by the answering respondent nos. 4 and 5.

16. The learned Counsel for the answering respondent nos.4 and 5 has submitted that pursuant to the orders of the Division Bench of this Court in the earlier writ petition preferred by the petitioner, a representation was filed by the petitioner before the Chief Executive Officer, Bihar State Mining Corporation Limited, who, after examining the claim of the petitioner on the basis of the report submitted by a Committee constituted by the Managing Director under the Chairmanship of the General Manager and others had categorically found vide office order contained in memo no. 668 dated 10.11.2025, that as per the audited books of account, the total amount payable to the petitioner is Rs.64,67,690/-, out of which Rs. 55,55,992/- has already been paid to the petitioner in view of the letter No.1874 dated 02.09.2022 and as such, the remaining amount of Rs. 9,11,698/- was sanctioned for payment and after deducting TDS and GST on TDS an amount of Rs. 8,84,347/- has already been paid to the petitioner in his bank account through RTGS on 11.11.2025.

17. It is the submission of the answering respondent nos. 4 and 5 that since the amount already stands paid to the petitioner, the grievance of the petitioner has been adequately redressed and therefore nothing survives in the present petition.

18. So far as the claim of the petitioner with respect to the freight charges amounting to Rs.97,04,653/- is concerned, it has been categorically submitted by the learned counsel for the answering respondent nos. 4 and 5, that a duly constituted Committee under the Chairmanship of General Manager has examined the issue in detail and thereafter submitted a report, wherefrom it is evident that as per audited books of account, total amount payable to the petitioner is Rs. 64,67,690/- out of which Rs. 55,55,992/- has already been paid to the petitioner and the remaining due and payable amount of Rs.9,11,698/- has subsequently been sanctioned, once the audit process was completed.

19. It is emphasized by the learned counsel for the answering respondent nos. 4 and 5 that since the statutory audit for the financial year 2017-18 and 2018-19 was pending and there was no Chartered Accountant appointed in the Bihar State Mining Corporation Limited, therefore the total payable amount was not verified earlier. Subsequently, the Committee found that as per audited books of account, the total amount payable to the petitioner is Rs.64,67,690/-.

20. In the rejoinder affidavit filed on behalf of the petitioner, it is submitted that once the respondent - BSMCL had itself admitted in September, 2022 that an amount of Rs. 55,55,992/- is the 75% of the total due and payable amount, therefore, the total payment amount stood at Rs. 97,04,653/- and now the respondents cannot turn around and assert that the petitioner is entitled to only Rs. 64,67,690/-. Having themselves acknowledged and acted upon the admitted liability by releasing 75% of the amount, the respondents can not be permitted to approbate and reprobate.

21. It has also been submitted on behalf of the petitioner that the office order dated 10.11.2025 enclosed with the counter affidavit has been issued subsequent to the filing of and during the pendency of the present writ petition and the same can not be used to defeat or dilute the rights of the petitioner which had already been crystallized in favour of the petitioner much prior to the filing of the present writ petition on account of the fact that the respondents had themselves acted on the admitted amount and released 75% of the total due and payable amount. It has further been stated that the aforesaid

Office Order dated 10.11.2025 has been issued behind the back of the petitioner, without affording any opportunity of hearing and is, therefore, in clear violation of the principles of natural justice.

Consideration

22. I have heard and considered the submissions of the parties and perused the materials available on record.

23. The petitioner acting under the express direction of the respondents to supply 1,00,000 cubic feet (CFT) of good quality of sand from the sand *ghats* to the buffer stock depots of the Bihar State Mining Corporation Limited in the months of January, February and July of 2018 and, in doing so, incurred financial expenses (freight charges) which were to be paid to the petitioner. However, despite the claim of the petitioner, the respondents sat over the payments initially for four years and upon directions being issued by the Division Bench of this Court *vide* order dated 04.01.2022, the respondents disbursed an amount of Rs.55,55,992/-, which was styled as 75% of the total amount due and payable to the petitioner.

24. From a perusal of the office order dated 02.08.2022, passed by the Chief Executive Officer, Bihar State

Mining Corporation Limited, it is clear that since the internal audit was not carried out for the financial years 2017-18 and 2018-19, therefore, as an interim measure the 75% of the claimed amount recommended by the accountant, was released in favour of the petitioner. It may be gainful to reproduce paragraph nos.8 and 9 of the aforesaid office order dated 02.08.2022, which reads as under:-

> *"8. लेखापाल द्वारा बिहार स्टेट माइनिंग कॉरपोरेशन लिमिटेड के वित्तीय वर्ष 2017–18 एवं 2018–19 का सांविधिक अंकेक्षण कार्य सम्पन्न नहीं होने के तथ्य के आलोक में वादी को कुल भुगतेय राशि का तत्काल 75 प्रतिशत राशि भुगतान करने का अनुरोध किया गया, जो उचित प्रतीत होता है।*
>
> *9. अतः वादी के अभ्यावेदन के आधार पर कुल भुगतेय राशि का 75 प्रतिशत राशि के भुगतान पर सक्षम प्राधिकार की स्वीकृति प्राप्त कर ली जाय। उपरोक्त के अनुसार यह अभ्यावेदन निष्पादित किया जाता है।"*

25. From the perusal of the records, it appears that during the pendency of the instant writ petition the Managing Director, Bihar State Mining Corporation Limited constituted a Committee to examine the claim of the petitioner and the aforesaid Committee submitted its report on 07.11.2025, wherein certain errors were detected which have been reproduced in the office order dated 10.11.2025 passed by the Chief Executive Officer, Bihar State Mining Corporation Limited.

26. It is not in dispute that for the financial year, 2017-18 and 2018-19, the statutory audit was not completed at the time when the initial part payment of 75% of the payable amount was made in favour of the petitioner and that there was no Chartered Accountant appointed at the relevant point in time. It is, therefore, clear that the amount disbursed was purely provisional and interim in nature and was subject to finalization after a proper statutory audit. The fact that the respondents have made a part payment of 75% equal to Rs.55,55,992/- and therefore, *ipso facto* the total amount due and payable to the petitioner stood crystalized as Rs.97,04,653/- is not appealing to this Court in view of the fact that the earlier office order dated 02.08.2022 itself notes that the payment of 75% was made in the backdrop of the pending statutory audit and further the later office order dated 10.11.2025 records certain discrepancies in the total amount as also reported by the Committee constituted by the Managing Director of the Bihar State Mining Corporation.

27. From the perusal of the records, it is clear that during the pendency of the present writ petition, the respondents disbursed the pending amount in favour of the petitioner, however, before diminishing the total due and

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payable amount, the respondents failed to issue any show cause notice to the petitioner or afford an opportunity of hearing to explain the discrepancies as noted by the Committee.

28. It is natural, that the final amount before a statutory audit could not have yielded a crystalized and settled claim in favour of the petitioner. However, before arriving at a final amount due and payable to the petitioner, more particularly in view of the discrepancies noted by the Committee, the respondents ought to have issued a show cause notice or afforded the petitioner with a reasonable opportunity of hearing to explain those discrepancies and thereafter, a final speaking order ought to have been passed. This Court has noted that the earlier the Division Bench of this Court *vide* order dated 04.01.2022 also directed that while considering the representation preferred by the petitioner principles of natural justice shall be followed and due opportunity of hearing shall be afforded to the petitioner.

29. The Hon'ble Supreme Court in the case of ***Krishnadatt Awasthy vs. State of M.P. & Ors.***, reported as ***(2025) 7 SCC 545*** has emphasized on the imperativeness of principles of natural justice, particularly, before an administrative authority acting as a *quasi judicial* function and has held as under:-

*"43. **The opportunity of hearing is considered so***

fundamental to any civilised legal system that the courts have read the principles of natural justice into an enactment to save it from being declared unconstitutional on procedural grounds [Olga Tellis v. Bombay Municipal Corpn., (1985) 3 SCC 545] .

44. *It has been argued before us that if the failure to provide hearing does not cause prejudice, observing the principle of natural justice may not be necessary. In this context, a three-Judge Bench of this Court in S.L. Kapoor v. Jagmohan [S.L. Kapoor v. Jagmohan, (1980) 4 SCC 379] speaking through Chinappa Reddy, J. considered such arguments to be "pernicious" and held that* ***"[t]he non-observance of natural justice is itself prejudice to any man and proof of prejudice independently of proof of denial of natural justice is unnecessary".*** *The Supreme Court, however, has drawn out an exception where "on the admitted or indisputable facts only one conclusion is possible, and under the law only one penalty is permissible, then the Court may not compel the observance of natural justice" [Swadeshi Cotton Mills v. Union of India, (1981) 1 SCC 664 : (1981) 51 Comp Cas 210; Aligarh Muslim University v. Mansoor Ali Khan, (2000) 7 SCC 529 : 2000 SCC (L&S) 965].*

45. *Professor I.P. Massey [I.P. Massey, Administrative Law (8th Edn., 2012).] has commented on this shift as under:*

"Before the decision of the highest Court

in S.L. Kapoor v. Jagmohan [S.L. Kapoor v. Jagmohan, (1980) 4 SCC 379], the rule was that the principles of natural justice shall apply only when an administrative action has caused some prejudice to the person, meaning thereby that he must have suffered some "civil consequences". Therefore, the person had to show something extra in order to prove "prejudice" or civil consequences. This approach had stultified the growth of administrative law within an area of highly practical significance. It is gratifying that in Jagmohan [S.L. Kapoor v. Jagmohan, (1980) 4 SCC 379] , the Court took a bold step in holding that a separate showing of prejudice is not necessary. The non-observance of natural justice is in itself prejudice caused. However, merely because facts are admitted or are undisputable it does not follow that the principles of natural justice need not be observed."

46. In State Bank of Patiala v. S.K. Sharma [State Bank of Patiala v. S.K. Sharma, (1996) 3 SCC 364 : 1996 SCC (L&S) 717], the Supreme Court observed that where an enquiry is not convened by any statutory provision and the only obligation of the administrative authority is to observe the principles of natural justice, the court/tribunal should make a distinction between a total violation of the rule of fair *hearing and violation of the facet of that rule. In other words, a distinction must be made between "no opportunity" or "no adequate opportunity".* ***In the case of the former, the order passed would undoubtedly be invalid and the authority may be asked to conduct proceedings afresh according to the rule of fair hearing. But in the latter case, the effect of violation of a facet of the rule of fair hearing has to be examined from the standpoint of prejudice.***

47. In Dharampal Satyapal Ltd. v. CCE [Dharampal Satyapal Ltd. v. CCE, (2015) 8 SCC 519 : (2015) 33 GSTR 1], this Court dealt with the prejudice question as under: (SCC p. 540, para 42)

> *"42. So far so good. However, an important question posed by Mr Sorabjee is as to whether it is open to the authority, which has to take a decision, to dispense with the requirement of the principles of natural justice on the ground that affording such an opportunity will not make any difference? To put it otherwise, can the administrative authority dispense with the requirement of issuing notice by itself deciding that no prejudice will be caused to the person against whom the action is contemplated?* ***Answer has to be in the negative. It is not permissible for the authority to jump over the compliance***

<u>of the principles of natural justice on the ground that even if hearing had been provided it would have served no useful purpose. The opportunity of hearing will serve the purpose or not has to be considered at a later stage and such things cannot be presumed by the authority.</u> *This was so held by the English Court way back in the year 1943 in General Medical Council v. Spackman [1943 AC 627 (HL)]. This Court also spoke in the same language in Board of High School & Intermediate Education, U.P. v. Chitra Srivastava [Board of High School & Intermediate Education, U.P. v. Chitra Srivastava, (1970) 1 SCC 121] ….”*

48. In a more recent decision in State of U.P. v Sudhir Kumar Singh [State of U.P. v. Sudhir Kumar Singh, (2021) 19 SCC 706] , the position of law was summarised as under: (SCC pp. 748-49, para 42)

“42. …42.1. Natural justice is a flexible tool in the hands of the judiciary to reach out in fit cases to remedy injustice. The breach of the audi alteram partem rule cannot by itself, without more, lead to the conclusion that prejudice is thereby caused.

42.2. Where procedural and/or substantive provisions of law embody the principles of natural justice, their *infraction per se does not lead to invalidity of the orders passed. Here again, prejudice must be caused to the litigant, except in the case of a mandatory provision of law which is conceived not only in individual interest, but also in public interest.*

42.3. No prejudice is caused to the person complaining of the breach of natural justice where such person does not dispute the case against him or it. This can happen by reason of estoppel, acquiescence, waiver and by way of non-challenge or non-denial or admission of facts, in cases in which the Court finds on facts that no real prejudice can therefore be said to have been caused to the person complaining of the breach of natural justice.

42.4. In cases where facts can be stated to be admitted or indisputable, and only one conclusion is possible, the Court does not pass futile orders of setting aside or remand when there is, in fact, no prejudice caused. This conclusion must be drawn by the Court on an appraisal of the facts of a case, and not by the authority who denies natural justice to a person.

42.5. The "prejudice" exception must be more than a mere apprehension or even a reasonable suspicion of a litigant. It *should exist as a matter of fact, or be based upon a definite inference of likelihood of prejudice flowing from the non-observance of natural justice."*

30. The doctrine of *audi alteram partem* has three basic essentials. *Firstly*, a person against whom an order is required to be passed or whose rights are likely to be affected adversely, must be granted an opportunity of being heard. *Secondly*, the authority concerned should provide a fair and transparent procedure and *lastly*, the authority concerned must apply its mind and dispose of the matter by a reasoned or speaking order.

31. In the present case, it appears that the respondents before finalizing the amount, due and payable to the petitioner, after noticing discrepancies as recorded in the office order dated 10.11.2025 did not afford any opportunity of hearing to the petitioner, which is in clear contravention of the principles of natural justice and the express direction of the Division Bench *vide* order dated 04.01.2022. Thereafter, the respondents, unilaterally diminished by a downward revision of the final amount due and payable to the petitioner, which is not sustainable in the eyes of law.

32. In view of the above, this Court is inclined to grant liberty to the petitioner, to approach the respondent authorities, with relevant supporting documents to establish its claim of the amount due and pending, to finally settle the amount due and payable to it.

33. Now, coming to the second issue of the interest on delayed payment, it is clear that the first part payment of Rs.55,55,992/- was made after lapse of about four years and the second payment of Rs.9,11,698/- after a lapse of about seven years.

34. Merely because the principal amount stood paid, assuming the present amount to be the final due and payable amount, the question of interest does not *ipso facto* vanish more so, when there has been a considerable delay in making these payments. In the case of ***Umesh Singh Yadav vs. State of Bihar C.W.J.C No. 13717 of 2021***, the Division Bench of this Court while considering the refund of security deposits for the sand *ghat* settlements made in the year 2019, had allowed the petitioner therein to approach the appropriate authority for award of interest. A Co-ordinate Bench of this Court in ***Block Chain Warehousing and Jute Pvt. Limited vs. State of Bihar C.W.J.C No. 1249 of 2024,*** had also permitted the petitioner therein to approach the respondent authorities on the question of interest after the payment/refund of security amount.

35. A co-ordinate bench of this Court in ***M/s Asha Info Solutions Pvt. Ltd vs. State of Bihar C.W.J.C No. 18194 of 2022***, while considering the non-payment of monies to a contractor despite timely finishing the work had directed for payment of compensatory interest on delayed payments.

36. It is settled law that the underlying principle guiding award of interest is that interest payment is essentially compensatory in nature.

37. It is quite clear that the respondents had availed the services of the petitioner for transportation of the sand to its buffer stock depots and thereafter sat over the payments for four years to make the first part payment and thereafter for seven years for the second limb of the payment. The actions of the respondents to withhold the payment for such duration of time would clearly amount to unjust windfall. The fact that the statutory audit was not conducted for the relevant financial years may mean that the final amount due and payable was yet to be determined/finalized, yet the deprivation suffered by the petitioner on account of the delayed payments for unreasonably long duration, ought to be corrected and compensated suitably. It is true that for the assigned work of transportation of sand, there was no specific contract which could contemplate therein the eventuality of delayed payments and the interest accrued thereupon, however the non-existence of such an agreement could not disentitle the petitioner from compensatory interest on delayed payments. Further from the perusal of the records, it is also evident that there was no statutory bar or contractual proscription on interest on delayed payment.

38. Therefore, in absence of any statutory bar or contractual proscription operating against interest on delayed payments, and considering the unreasonably long delay in making payment to the petitioner in the present case, this Court deems it appropriate to award a compensatory interest of 9% per annum from the date of accrual of the payment till the time they were made.

39. In view of the foregoing discussions, the following directions are being passed:-

i. The petitioner is given liberty to approach the respondent Chief Executive Officer, Bihar State Mining Corporation Limited with all relevant supporting documents, if so advised, to claim the excess amount, still due and pending. The respondent authorities shall comprehensively consider the representation of the petitioner and after affording a reasonable opportunity of hearing, shall pass a reasoned and speaking order within 6 weeks.

ii. The respondents are directed to calculate the interest on the delayed payments from the date of its accrual to the date of its actual payment at the rate of 9% (simple interest) per annum and thereafter disburse the same within 6 weeks from today.

40. With the aforesaid observations and directions, this writ petition is allowed in the above terms.

(Sandeep Kumar, J)

pawan/-

AFR/NAFR	N.A.F.R.
CAV DATE	13.01.2026
Uploading Date	16.04.2026
Transmission Date	