Ansal Housing and Construction Ltd. v. State of U.P. & Ors.

Refund of pre-deposit along with interest under the Indian Stamp Act, 1899 (Sections 33, 40, 45, 47-A, 56 – Indian Stamp Act, 1899)

Date of Order: September 19, 2014
Case Law No: GIB-AHC-2014-03
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts :

- Petitioner deposited ₹34,67,438 as pre-deposit for filing appeal against stamp duty demand.
- The original demand order was set aside and matter remanded; ultimately no demand survived.
- Despite this, refund was delayed for several years and only principal amount was returned without interest.
- Petitioner filed writ seeking interest on the delayed refund amount.

Court Decision:

- Retention of petitioner's money after setting aside demand was unauthorised.
- Even in absence of statutory provision, interest is payable based on principles of restitution.
- State cannot retain money without compensating the party for deprivation of its use.
- Non-payment of interest while charging interest from assessee is discriminatory.

Directions:

- Petitioner entitled to simple interest @ 8% per annum.
- Interest payable from date of deposit (15.12.2005) till date of refund (29.05.2014).
- Respondents directed to pay interest within stipulated time.
- General mandamus issued to State to pay interest on refunds in similar cases.

Cases Referred by Court:

- *Union of India v. Tata Chemicals Ltd.*
- *Hello Minerals Water (P) Ltd. v. Union of India*
- *Union of India v. Oriental Enterprises*

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- *Secretary, Irrigation Dept. v. G.C. Roy*
- *Sham Lal Narula v. CIT*
- *South Eastern Coalfields Ltd. v. State of M.P.*
- *Sandvik Asia Ltd. v. CIT*
- *Ghaziabad Development Authority v. Balbir Singh*
- *ONGC Ltd. v. Commissioner of Customs*
- *Hari Chand v. State of U.P.*

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