



A.F.R.



**HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW**

WRIT - C No. - 1647 of 2025

Centre for Management Technology, Gautam Buddha Nagar Thru.
Director Krishna Mohan Pandey
.....Petitioner(s)

Versus

State of U.P. Thru. Prin. Secy. Deptt. of Social Welfare, Lko. and 4 others
.....Respondent(s)

Counsel for Petitioner(s)	: Apoorva Tewari, Shivang Tiwari
Counsel for Respondent(s)	: C.S.C.,

And.

WRIT - C No. - 8584 of 2018

C-mat Business School Thru Director Krishna Mohan Pandey
.....Petitioner(s)

Versus

State of U.P Thru Prin Secy Social Welfare Lko and Ors
.....Respondent(s)

Counsel for Petitioner(s)	: Vinod Kumar Singh, Apoorva Tewari, Balbir Singh, Paavan Awasthi
Counsel for Respondent(s)	: C.s.c,

And.

WRIT - C No. - 8585 of 2018

Center for Mgmt.and Tech. Thru Director Krishna Mohan Pandey
.....Petitioner(s)

Versus

State of U.P Thru Prin Secy Social Welfare Lko and Ors
.....Respondent(s)

Counsel for Petitioner(s)	: Vinod Kumar Singh, Apoorva Tewari, Balbir Singh, Paavan Awasthi
Counsel for Respondent(s)	: C.s.c,

Alongwith

WRIT - C No. - 1668 of 2025

C Mat Business School Thru. Director Krishna Mohan Pandey
.....Petitioner(s)

Versus

State of U.P. Thru. Prin. Secy. Deptt. of Social Welfare, Lko. and 4 others
.....Respondent(s)

Counsel for Petitioner(s)	: Apoorva Tewari, Shivang Tiwari
Counsel for Respondent(s)	: C.S.C.,

Court No. - 17

HON'BLE SUBHASH VIDYARTHI, J.

1. Heard Sri Apoorva Tewari, the learned counsel for the petitioners, Sri S.K. Khare, the learned Standing Counsel appearing on behalf of the State of U.P. and perused the records.

2. The petitioner-C-MAT Business School has filed petition bearing Writ-C No. 8584 (M/S) of 2018 and Centre for Management and Technology has filed Writ Petition No. 8585 (M/S) of 2018 seeking issuance of a Writ of Mandamus commanding the opposite parties to make payment of scholarship and fee reimbursement to them for the students admitted in the institution for the courses mentioned in para 4 of the writ petitions for the academic sessions 2013-14, 2014-15 and 2016-17 in consonance with the provisions contained in Uttar Pradesh

Anushuchit / Anusuchit Janjati / Samanya Varg / Alpsankhyak / Pichhdi Jati Dashmottar Chhatravritti Yojna, 2012.

3. On 28.09.2021, an order was passed in Writ Petition Nos. 8584 & 8585 recording that the fee reimbursement for the session 2013-14 had not been made to the petitioners without assigning any reason. In regard to academic sessions 2014-15 and 2016-17, show cause notices had been issued to the petitioners and they had submitted replies to the notices but no decision had been taken thereon. The learned Standing Counsel was granted time to seek instructions in the matter whether the inquiry had been concluded and why the money allocated for the year 2013-14 had not been paid to the petitioners. On 14.03.2022, this Court granted two weeks further time to the learned Standing Counsel directing for filing a specific affidavit indicating:-

A. As to why the scholarship for the year 2013-14, 2014-15 and 2016-17 had not been paid?

B. As to whether any inquiry was pending for the purpose of scholarship reimbursement for the aforesaid years and if not

C. what was the impediment in reimbursement of the scholarship for the aforesaid years?

4. The Deputy Director, Directorate Social Welfare, U.P. filed a supplementary affidavit stating that in the year 2013-14, there were certain complaints regarding financial irregularities that took place in the year 2012-13. Therefore, the amount allocated for the year 2013-14 could not be disbursed and it lapsed. The supplementary affidavit specifically stated that the inquiry against the petitioners' institution has been conducted by a committee headed by the Additional District Magistrate. The Committee submitted its report on 07.05.2015. Another inquiry pertaining to the year 2016-17 had also been completed by the District Statistical Officer, Gautam Budh Nagar, Noida and no inquiry was pending against the petitioners thereafter. The inquiry report

mentions that no allegation could be established in inquiry. Therefore, there is no allegation that any irregularity or illegality has been committed by any of the petitioners.

5. It was also stated in the supplementary affidavit that the Director, Social Welfare had sent a letter dated 26.05.2022 to the State Government for reimbursement of the amount of scholarship but the State Government rejected the request by means of a letter dated 14.06.2022. A copy of the letter dated 14.06.2022 written by the State Government to the Director Social Welfare was annexed with this supplementary affidavit.

6. Thereafter orders were passed in Writ Petition Nos. 8484 and 8485 (M/S) of 2018 granting liberty to the petitioners to challenge the order dated 14.06.2022. The petitioners accordingly filed Writ C Nos. 4838 of 2024 and 4836 of 2024 challenging validity of the order dated 14.06.2022 passed by the State Government. Both the writ petitions were disposed off by separate orders passed on 29.05.2024 on identical terms, setting aside the order dated 14.06.2022 for the reason that the order was not a reasoned order. The matter was relegated to the State Government to take a fresh decision after affording opportunity of hearing to the petitioners.

7. It is after the aforesaid remand, that the State Government has passed the impugned office memorandum dated 15.01.2025 which has been challenged by filing Writ C Nos. 1647 of 2025 and 1668 of 2025.

8. The order states that the scheme provides for transfer of the amount of scholarship to the bank accounts of the beneficiary students directly and there is no provision for payment of scholarship amount to the institutions. The matter is quite old and there is every possibility that bank accounts of several students would not be in operation. In such circumstances, if the department transfers the amount of scholarship to the bank accounts of the students, the transactions would fail. The order further states that no student has raised claim for payment of

reimbursement of fee or payment of scholarship. The institutions are demanding payment of money due to which there is every possibility of mis-utilization of Government money.

9. The State has filed counter affidavits in both the writ petitions opposing the writ petitions mainly on two grounds – the first is that the scheme does not provide for payment of scholarship money to the institution and it provides for payment of amount by transferring the same to the bank accounts of the students, no student has come forward for claiming the scholarship amount and the petitioner institutions have no right to claim the payment directly; the second objection raised in the counter affidavit is that the matter is quite old, the budgetary allocation for payment of scholarship stands lapsed and presently there is no budgetary allocation for payment of the amount.

10. The Uttar Pradesh Anushuchit/ Anusuchit Janjati Dashmottar Chhatravritti Yojna, 2012 provides that the students eligible to get benefits under the scheme will be admitted to the concerned educational institutions without paying any fee. The petitioners took admission of the students, imparted education to them for 4 years i.e. 2013-14, 2014-15, 2015-16 and 2016-17. Students were paid scholarship for the session 2015-16 only and no amount was paid as scholarship to the students for the years 2013-14, 2014-15 and 2016-17. The scheme provides that the students shall transfer the amount to the educational institutions within 15 days since its receipt in their bank accounts. The students received the scholarship amount for the year 2015-16 and they in turn paid the same to the petitioner institutions. They did not get any amount as scholarship for the rest of the years and, consequently, they did not pay any amount towards fee to the petitioner institutions.

11. The petitioners had taken admission of the students under the scheme without charging any fee, they imparted education to the students who completed their respective courses and left the institutions. Having completed their education and having got their marks-sheets / certificates / degrees etc., the students are no more aggrieved by non-

payment of scholarship. It is the petitioner institutions, who had to receive money after the same was paid as scholarship by transferring the same to the students bank account. Due to non payment of money by transferring the same to the students' account, the petitioner institutions could not get the money payable towards their fees although they have imparted education to the students for three academic sessions.

12. In these circumstances, the petitioners are aggrieved by non payment of scholarship amount by the State due to which reason the students did not pay fee to the petitioners and, therefore, the mere fact that students have not come forward to challenge non-payment of scholarship money, will not take away the petitioners' right to claim payment of the amount of fee when the petitioners have imparted education to the students admitted under the scheme, without charging any fee.

13. So far as the objection of the State regarding budgetary allocation having lapsed is concerned, the budgetary allocation is made on yearly basis. The State Government ought to have made payment of the amount of scholarship as per the timeline prescribed in the government order dated 26.09.2012 i.e. by the 31st day of January of the particular year, or in any case, before the end of the respective financial years. The State Government itself committed default in payment of the amount within time or even thereafter by the end of the financial years. The reason assigned for non-payment of the amount was pendency of some inquiry which admittedly stood concluded wherein the petitioners have not been found guilty of committing any misconduct. In these circumstances, denial of payment of scholarship to the petitioners on the ground of delay, which delay is not attributable to the petitioners, will amount to punishing the petitioners for a wrong which has not been committed by them. It is basic principle of dispensation of justice that no person can be punished for a wrong which he has not committed.

14. The learned Standing Counsel has also opposed the writ petitions on the ground that the claim of payment of fee stands barred by the

period of limitation as the scholarship for the year 2013-14 was payable on 31.01.2014 and the writ petition has been filed in the year 2025.

15. In reply to the aforesaid objection, the learned counsel for the petitioners has submitted that the District Social Welfare Officer, Gautam Budh Nagar had sent letters dated 24.07.2015 to the petitioners stating that a demand for allocation of the amount had been raised for the session 2013-14. As soon as the amount is received from the State Government, the amount will be transferred to the bank accounts of the students. This amounts to a clear and categorical admission regarding liability of payment of amount and this would refresh the running of limitation. Writ Petition Nos. 8584 of 2018 and 8585 of 2018 were filed on 22.03.2018, which was within the limitation period.

16. Further, the scheme provided that the State Government would transfer the scholarship amount to the bank accounts of the students and the students will in turn pay the amount of fee to the petitioners within 15 days since receipt of the amount in their bank accounts. Therefore, the limitation period would start running after the scholarship amount is transferred to the bank accounts of the students, which has not been done in the present case. Therefore, this Court is of the considered view that the claim of the petitioner has not become barred by the limitation and it is still continuing.

17. In view of the aforesaid observation, I find no force in any of the objections raised by the learned Standing Counsel and since the only objection due to which the payment of scholarship was withheld, was that an inquiry was pending in the matter and the inquiry stands concluded in which no one has been found guilty, there is no impediment in payment of the amount of scholarship and fee reimbursement.

18. As the students have completed their studies without payment of any fee to the petitioners in anticipation of payment of scholarship, they have no grievance left and they have not come forward to claim the payment of scholarship and it is the petitioners who are suffering losses

due to non payment of scholarship to the students, who in turn would have paid the amount to the petitioners, the petitioners are entitled to be paid the amount of scholarship and fee of the students as per the details already uploaded by them on the official portal.

19. The petitioners have claimed compound interest at the rate of 18% per annum from the date the amount became due till the date of actual payment of the amount. The learned counsel for the petitioners has placed reliance on a judgment of the Hon'ble Supreme Court in the case of **Dr. Purnima Advani & Anr. v. Govt. of NCT & Anr.**: (2025) 7 SCC 269, wherein the Hon'ble Supreme Court has held as under: -

“14. The concept of awarding interest on delayed payment has been explained by this Court in Karnataka Bank v. RMS Granites (P) Ltd.: 2024 SCC OnLine SC 4695, we quote the following observations:

“16. It may be mentioned that there is misconception about interest. Interest is not a penalty or punishment at all, but it is the normal accretion on capital. For example if A had to pay B a certain amount, say ten years ago, but he offers that amount to him today, then he has pocketed the interest on the principal amount. Had A paid that amount to B ten years ago, B would have invested that amount somewhere and earned interest thereon, but instead of that A has kept that amount with himself and earned interest on it for this period. Hence equity demands that A should not only pay back the principal amount but also the interest thereon to B. [See: Alok Shanker Pandey v. Union of India: (2007) 3 SCC 545.]”

15. Thus, when a person is deprived of the use of his money to which he is legitimately entitled, he has a right to be compensated for the deprivation which may be called interest or compensation. Interest is paid for the deprivation of the use of money in general terms which has returned or compensation for the use or retention by a person of a sum of money belonging to other.

16. As per Black's Law Dictionary (7th Edn.): “interest” is the compensation fixed by agreement or allowed by law for use or detention of money or for the loss of money of one who is entitled to its use, especially, the amount owned to a lender in return for the use of the borrowed money.

17. *As per Stroud's Judicial Dictionary of Words and Phrases (5th Edn.): interest means, inter alia, compensation paid by the borrower to the lender for deprivation of the use of his money.*

18. *In Irrigation Deptt., State of Orissa v. G.C. Roy: (1992) 1 SCC 508, a Constitution Bench of this Court opined that a person deprived of use of money to which he is legitimately entitled has a right to be compensated for the deprivation, call it by any name. It may be called interest, compensation or damages. This is also the principle of Section 34 of the Civil Procedure Code.*

19. *The essence of interest as held by Lord Wright in Riches v. Westminster Bank Ltd.: 1947 AC 390 (HL), at AC p. 400, is that it is a payment, which becomes due because the creditor has not had his money at the due date. It may be recorded either as representing the profit he might have made if he had had the use of the money, or, conversely, the loss he suffered because he had not that use.*

20. *In CIT v. Sham Lal Narula: 1962 SCC OnLine Punj 35, a Division Bench of the High Court of Punjab articulated the concept of interest as under: (SCC OnLine Punj)*

“The words “interest” and “compensation” are sometimes used interchangeably and on other occasions they have distinct connotation. “Interest” in general terms is the return or compensation for the use or retention by one person of a sum of money belonging to or owed to another. In its narrow sense, “interest” is understood to mean the amount which one has contracted to pay for use of borrowed money. ... In whatever category “interest” in a particular case may be put, it is a consideration paid either for the use of money or for forbearance in demanding it, after it has fallen due, and thus, it is a charge for the use or forbearance of money. In this sense, it is a compensation allowed by law or fixed by parties, or permitted by custom or usage, for use of money belonging to another, or for the delay in paying money after it has become payable.”

(emphasis supplied by Supreme Court)

21. *The appeal filed against the aforesaid decision was dismissed by this Court in Sham Lal Narula v. CIT: 1964 SCC OnLine SC 151.*

22. *In Hello Minerals Water (P) Ltd. v. Union of India: 2024 SCC OnLine All 2187, a Division Bench of the Allahabad High Court explained the concept of interest as under:*

“31. We may mention that we are passing the direction for interest since interest is the normal accretion on capital.

32. Often there is misconception about interest. Interest is not a penalty or punishment at all. For instance, if A had to pay a certain sum of money to B at a particular time, but he pays it after a delay of several years, the result will be that the money remained with A and he would have earned interest thereon by investing it somewhere. Had he paid that amount at the time when it was payable then B would have invested it somewhere, and earned interest thereon. Hence, if a person has illegally retained some amount of money then he should ordinarily be directed to pay not only the principal amount but also the interest earned thereon.

33. Money doubles every six years (because of compound interest). Rupees hundred in the year 1990 would become rupees two hundred in the year 1996 and it will become Rs 400 in the year 2002. Hence, if A had to pay B a sum of Rs 100 in the year 1990 and he pays that amount only in the year 2002, the result will be that A has pocketed Rs 300 with himself. This clearly cannot be justified because had he paid that amount to B in the year 1990, B would be having Rs 400 in the year 2002 instead of having only Rs 100. Hence, ordinarily interest should always be awarded whenever any amount is detained or realised by someone, otherwise the person receiving the amount after considerable delay would be losing the entire interest thereon which will be pocketed by the person who managed the delay, it is for this reason that we have ordered for payment of interest along with the amount realised as export pass fee.”

Interest is normal accretion on capital

23. If on facts of a case, the doctrine of restitution is attracted, interest should follow. Restitution in its etymological sense means restoring to a party on the modification, variation or reversal of a decree or order what has been lost to him in execution of decree or order of the court or in direct consequence of a decree or order. The term “restitution” is used in three senses, firstly, return or restoration of some specific thing to its rightful owner or status, secondly, the compensation for benefits derived from wrong done to another and, thirdly, compensation or reparation for the loss caused to another.

24. In Hari Chand v. State of U.P.: 2011 SCC OnLine All 283, the Allahabad High Court dealing with similar controversy in a stamp matter held that the payment of interest is a necessary corollary to

the retention of the money to be returned under order of the appellate or revisional authority. The High Court directed the State to pay interest @ 8% for the period, the money was so retained i.e. from the date of deposit till the date of actual repayment/refund.

25. In ONGC Ltd. v. Commr. of Customs: (2007) 10 SCC 484, SCC para 6, the facts were that the assessment orders passed under the Customs Act creating huge demands were ultimately set aside by this Court. However, during pendency of appeals, a sum of Rs 54,72,87,536 was realised by way of customs duties and interest thereon. In such circumstances, an application was filed before this Court to direct the respondent to pay interest on the aforesaid amount w.e.f. the date of recovery till the date of payment. The appellants relied upon the judgment in South Eastern Coalfields Ltd. v. State of M.P.: (2003) 8 SCC 648- this Court explained the principles of restitution in ONGC as under:

“6. The appellant is a public sector undertaking. The respondent is the Central Government. We agree that in principle as also in equity the appellant is entitled to interest on the amount deposited on application of principle of restitution. In the facts and circumstances of this case and particularly having regard to the fact that the amount paid by the appellant has already been refunded, we direct that the amount deposited by the appellant shall carry interest @ 6% per annum. Reference in this connection may be made to Pure Helium India (P) Ltd. v. ONGC: (2003) 8 SCC 593 and McDermott International Inc. v. Burn Standard Co. Ltd.: (2006) 11 SCC 181”

(emphasis supplied by Supreme Court)

Compensation

26. The word “compensation” has been defined in P. Ramanatha Aiyar’s Advanced Law Lexicon, 3rd Edn. 2005, p. 918 as follows:

“An act which a court orders to be done, or money which a court orders to be paid, by a person whose acts or omissions have caused loss or injury to another in order that thereby the person damnified may receive equal value for his loss, or be made whole in respect of his injury; the consideration or price of a privilege purchased something given or obtained as an equivalent, the rendering of an equivalent in value or amount; an equivalent given for property taken or for an injury done to another; the giving back an equivalent in either money which is but the measure of value, or in actual value otherwise conferred; a recompense in value, a recompense given for a thing received, recompense for the whole

injury suffered, remuneration or satisfaction for injury or damage of every description, remuneration for loss of time, necessary expenditures, and for permanent disability if such be the result; remuneration for the injury directly, and proximately caused by a breach of contract or duty; remuneration or wages given to an employee or officer.”

27. In Union of India v. Tata Chemicals Ltd.: (2014) 6 SCC 335, this Court held that when the collection is illegal, the Revenue is obliged to refund such amount with interest as money so deposited was retained and enjoyed by it. No discrimination can be shown between the assessee and the Revenue in paying interest on the refund of tax. Money received and retained without right, carries with it the right to interest. There being no express statutory provision for payment of interest on the refund of excess amount/tax collected by the Revenue, the Government cannot shrug off its apparent obligation to reimburse the deductor’s lawful monies with accrued interest for the period of undue retention of such monies. Obligation to refund money received and retained without right implies and carries with in the right to interest. The relevant observations are as under:

“38. Providing for payment of interest in case of refund of amounts paid as tax or deemed tax or advance tax is a method now statutorily adopted by fiscal legislation to ensure that the aforesaid amount of tax which has been duly paid in prescribed time and provisions in that behalf form part of the recovery machinery provided in a taxing statute. Refund due and payable to the assessee is debt-owed and payable by the Revenue. The Government, there being no express statutory provision for payment of interest on the refund of excess amount/tax collected by the Revenue, cannot shrug off its apparent obligation to reimburse the deductor’s lawful monies with the accrued interest for the period of undue retention of such monies. The State having received the money without right and having retained and used it, is bound to make the party good, just as an individual would be under like circumstances. The obligation to refund money received and retained without right implies and carries with it the right to interest. Whenever money has been received by a party which ex aequo et bono ought to be refunded, the right to interest follows, as a matter of course.”

(emphasis supplied by Supreme Court)

22. Opposing the prayer for grant of interest, the learned Standing Counsel has submitted that the judgment in the case of **Dr. Purnima Advani** involved the question of payment of interest on delay in refund of stamp duty. He has submitted that the present case case regarding reimbursement of fee and scholarship amount under a scheme does not involve any such statutory liability and, therefore, the judgment in the case of **Dr. Purnima Advani** will not apply to the facts of the present case.

21. It is true that **Dr. Purnima Advani** (supra) arose from the Stamp Act but there is no provision in the Stamp Act for payment of interest on refund of the amount of stamp, and this was the precise submission of the learned Counsel for the Government in that case, which was rejected by the Hon'ble Supreme Court in paragraph 13 of the judgment, which is as follows: -

“13. The submission of the learned counsel appearing for the respondents that there is no provision in the statute for the payment of interest on refund of the amount of the e-stamp paper that was lost by the appellants herein, is without any merit. The subject General Mandamus is a salutary advancement of the law, calculated to insulate and protect a citizen from unfair treatment by the State.”

22. Therefore, the ratio laid down in Dr. Poornima Advani (Supra) cannot be distinguished on the ground that the case arose from the Stamp Act. Moreover, the cases referred in Dr. Poornima Advani (Supra), namely Karnataka Bank v. M/s R.M.S. Granites Pvt. Ltd., Riches v. Westminster Bank Ltd., Hello Minerals Water (P) Ltd. v. Union Of India did not arise from any such statute. In Hello Minerals Water (P) Ltd., the Division Bench of this Court has held that money doubles every six years (because of compound interest). Rs. hundred in the year 1990 would become Rs. two hundred in the year 1996 and it will become Rs. 400 in the year 2002. Hence, if A had to pay B a sum of rupees 100 in the year 1990 and he pays that amount only in the year 2002, the result will be that A has pocketed Rs. 300 with himself. This clearly cannot be justified because had he paid that amount to B in the year 1990, B would

be having Rs. 400 in the year 2002 instead of having only Rs. 100/-. Hence, ordinarily interest should always be awarded whenever any amount is detained or realized by someone, otherwise the person receiving the amount after considerable delay would be losing the entire interest thereon which will be pocketed by the person who managed the delay. The aforesaid principle laid down in *Hello Minerals Water (P) Ltd.* squarely covers the claim of interest on delayed payment by the petitioners in the present case.

23. However, the claim of payment of compound interest at the rate of 18% per annum does not appear to be justified and it would be just to award payment of interest at the maximum rates being paid by Nationalized Banks on fixed deposits..

24. Accordingly, all the Writ Petitions are **allowed**. A Writ of Certiorari is issued quashing the impugned Office Memorandum dated 15.01.2025 rejecting the petitioners' claim for reimbursement of the amount of fee of the students. A Writ of Mandamus is issued commanding the opposite parties to pay to the petitioners the amount of fee of the students to whom they have imparted education under the Uttar Pradesh Anushuchit / Anusuchit Janjati / Samanya Varg / Alpsankhyak / Pichhdi Jati Dashmottar Chhatravritti Yojna, 2012 for the academic sessions 2013-14, 2014-15 and 2016-17, as per the details already uploaded by them on the official portal, alongwith interest for the period of delay since the amounts had become payable till those are actually paid, on the maximum rates prevailing in nationalized bank for payment of interest on fixed deposits.

25. The parties shall bear their own costs of litigation.

(Subhash Vidyarthi,J.)

December 16, 2025

Pradeep/-