IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.7369 of 2018

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Pravin Kumar Son of Late Damodar Nath Thakur, Resident of Mohalla- Hazar Jyoti Complex, Bank Road, Near LIC building P.O.- Motihari, P.S.- Chhatauni, District- East Champaran.

... ... Petitioner/s

Versus

1. The Assistant Secretary F and A , L I C Of India East Central Zonal Officer, Patna
2. The Senior Divisional Manager, LIC of India, Divisional Office, Muzaffarpur.
3. The Manager OS, LIC of India, Muzaffarpur Division.
4. The Chief Manager, Motihari, LIC of India, Motihari, Division.
5. The Chief Manager, Bettiah, LIC of India, Bettiah, Division.
6. The Chief Manager, Raxual, LIC of India, Raxual, Division.
7. The Chief Administrator, Motihari, LIC of India, Motihari Division.
8. The Chief Administrator, Bettiah, LIC of India, Bettiah Division.
9. The Chief Administrator, Raxual, LIC of India, Raxual Division.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Anil Kumar, Advocate
For the Respondent/s	:	Mr. Nilanjan Chatterjee, Advocate

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CORAM: HONOURABLE JUSTICE SMT. G. ANUPAMA CHAKRAVARTHY

ORAL JUDGMENT
Date : 28-08-2025

1. The writ petition is filed for the following reliefs:

> "i. For issuance of an appropriate writ commanding the respondents for quashing the letter dated 03/01/2017 issued by Chief Manager, Motihari whereby and whereunder the direction has been given to the petitioner by the Chief Manager Motihari for

> depositing the service tax reimbursement of Rs. 174658/- (Rupees one Lakh seventy four thousand six hundred and fifty eight) for the financial year 2016-2017 as contained in annexure - 7 to this petition.
>
> (ii) For issuance of an appropriate writ commanding the respondent to stop / refund the amount of Rs. 174658/- (Rupees one Lakh seventy four thousand six hundred and fifty eight) to the petitioner.
>
> (iii) For which of any relief/reliefs for which the petitioners are entitled under law on the basis of facts of the said writ petition."

2. The case of the petitioner, in brief, is that the petitioner was awarded a tender by the Life Insurance Corporation of India to hire DG sets at branches situated at Motihari, Bettiah, and Raxaul. It is submitted that the agreement and the general terms and conditions, quoted rate were to be inclusive of all applicable taxes, including service tax. Initially, as per terms, the service tax was deemed to be included in the quoted monthly rates. However, an agreement dated 20.05.2016

proposed that the service tax liability would be borne by the contractor and subsequently reimbursed by LIC.

3. The Learned counsel for the petitioner submitted that the petitioner had raised invoices including service tax and received payments accordingly. Later, vide letter dated 03.01.2017 (Annexure 7), the petitioner was directed to refund a sum of Rs.1,74,658/-, alleged to be reimbursed in excess.

4. It is further contended that LIC, having reimbursed the amount in terms of the revised agreement, could not now demand its refund, especially when the tax was duly paid to the government.

5. A counter affidavit was filed by the respondent LIC of India stating therein that the original agreement clearly stated that the rates quoted by the petitioner were inclusive of all applicable taxes, including service tax, and therefore no reimbursement was due under the initial agreement. The so-called agreement dated

20.05.2016 merely a proposed agreement and was never formally approved or executed. It is further averred that despite this, LIC's Motihari branch inadvertently reimbursed Rs.1,74,658/- towards service tax for a period covered under the original agreement. Upon audit, the said reimbursement was objected to and consequently, the impugned letter dated 03.01.2017 was issued directing the petitioner to return the excess payment. It was further submitted that the said amount has already been recovered from the petitioner, rendering the writ petition infructuous.

6. A rejoinder was filed on behalf of the petitioner, wherein the petitioner has reiterated as per the agreements dated 04.08.2015 and 20.05.2016, it was clearly stipulated that the service tax would be borne by the DG contractor and reimbursed by the LIC in accordance with government guidelines. It is contended that the said clause forms a part of the executed agreements, and was binding upon the parties.

7. It is also averred in the reply that the LIC

had reimbursed the service tax without objection and thereafter unilaterally adjusted the amount without the petitioner’s consent. Therefore, the demand for refund and the recovery of Rs.1,74,658/- was contrary to the terms of the agreement and is illegal and arbitrary.

8. Heard the Learned counsel for the petitioner as well as the Learned counsel for the respondents.

9. Upon hearing the rival contentions of the parties and perusal of the records, this Court finds that the original contract provided that the monthly quoted rate was inclusive of all applicable taxes, including service tax. The agreement dated 20.05.2016, relied upon by the petitioner for reimbursement, was only a proposed agreement and was never formally approved or executed. The payments made towards service tax reimbursement (totalling Rs.1,74,658/-) pertained to a period covered under the original contract, where no such reimbursement was payable. The audit rightly flagged the said reimbursement as

excess and not in accordance with the contractual terms. The claim of the petitioner that the amount was deducted from his bills and hence must be refunded is baseless and untenable in law.

10. In view of the above discussion this Court is of the considered view that there is no merit in the writ petition, and the demand raised by LIC is in accordance with law.

11. The writ petition is dismissed, as devoid of merits.

12. Interlocutory Application(s), if any, shall stand disposed of.

(G. Anupama Chakravarthy, J)

Spd/-

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	08.09.2025
Transmission Date	