



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR

WRIT PETITION NO.477 OF 2020

(Smt. Sushilabai Mohansingh Thakur Vs. The State of Maharashtra, State Excise,
Mumbai thr. its Secretary and others)

*Office Notes, Office Memoranda of Coram,
appearances, Court's orders of directions
and Registrar's Orders.*

Court's or Judge's orders.

Mr. S. G. Jagtap, Advocate for Petitioner.
Mr. H. D. Dubey, AGP for Respondent Nos.1 to 4/State.

CORAM: R. M. JOSHI, J.

DATE: 2nd JULY, 2025.

1. By consent of both the sides, petition is heard finally at the stage of admission.

2. This petition takes exception to the impugned order – demand dated 11.12.2019 of respondent no.4 – Superintendent, State Excise, Nagpur calling upon the petitioner to pay interest in view of provisions of Section 114 of the Maharashtra Prohibition Act.

3. Petitioner husband was holding CL-III license No.94 along with his partner. After his death license was transferred from Faras Bhavani Nagar, Punapur, Nagpur, on 25.06.2013. This order however, came to be cancelled by the Collector, Nagpur on account of adverse police report in Writ Petition No.655/2015 this order came to be set aside. It is alleged by the petitioner that the petitioner was illegally restrained from running the business on the basis of the

police report. In the year 2017 petitioner applied for renewal of the license after persistent caller, order came to be passed on 22.07.2019 directing the respondent to act upon the application. A demand notice came to be issued on 11.12.2019. However, as along with the license fee interest at the rate of 2% per annum came to be charged not only from the period of the demand but also for the previous period, present petition came to be filed.

4. Learned Counsel for the petitioner has drawn attention of the Court to the judgment of the Division Bench in a reference in present case itself wherein it is held that the interest would be payable from the date of demand and in not from the date or the period prior to the demand raised by the department. Learned AGP does not dispute the said position of law.

5. In the instant case, the demand has been raised against the petitioner on 11.12.2019. The petitioner claims that the amount demanded was paid on 17.05.2023. In view of the settled position of law settled by the Division Bench of this Court in the judgment dated 10.11.2023, the impugned order to the extent of seeking interest at the rate of 2% per month on the amount demanded for the period prior to the demand can not sustain. Needless to say that in view of the judgment *supra* the interest would be applicable from the date of demand i.e. from 11.12.2019 till the actual payment is made i.e. on 17.05.2023.

6. Hence, petition stands partly allowed in following terms:

[i] It is held that the petitioner shall not be liable to pay any interest for the period prior to 11.12.2019.

[ii] Petitioner shall be liable to pay interest at the rate of 2% per month from period from 11.12.2019 to 17.05.2023.

(R. M. JOSHI, J.)

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