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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-10-2026

CORAM

THE HON'BLE MR JUSTICE S. M. SUBRAMANIAM

AND

THE HON'BLE MR.JUSTICE R.RAJESH VIVEKANANTHAN

WA No. 3262 of 2026
CNR:{HCMA012105202026}
AND
CMP NO. 28853 OF 2026

Blackbuck Finserv Private Limited
Represented by its authorized Signatory
Rajesh Kumar Naidu Yabaji,
No.84/2, II Floor, Vasvani Presidio,
Panathur Main Road, Off Oyuter Ring Road,
Bangalore 560 103, Karnataka.

..Appellant

Vs

The District Registrar
The Office of the District Registrar,
Central Chennai, 268, Bharathi Salai,
Express Estate, Royapettah,
Chennai 600 002.

..Respondent

Prayer : Writ Appeal under To set aside the order dated 18.12.2025 in WP No.48468 of 2025 by this Honble Court.

For Appellant(s): Mr.Leelash Sundaram
for M/s.Nathan and Associates

For Respondent(s): Ms.S. Yogalakshmi

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Additional Government Pleader

Judgment

(Judgment of the Court was delivered by S.M.Subramaniam J.)

This writ appeal has been filed challenging the order dated 18.12.2025 passed by the learned Single Judge in W.P.No.48468 of 2025, whereby the writ petition filed by the appellant seeking a writ of Certiorarified Mandamus to call for the records relating to the order dated 29.09.2025 bearing No.4454/A4/2025 (1-4, 57-95) passed by the respondent, quash the same, and consequently direct the respondent to refund the value of the unused electronic stamp papers in the custody of the respondent in accordance with law, came to be dismissed.

2. The case of the appellant is that the appellant is engaged in the business of providing financial services and credit facilities to individuals, small enterprises and emerging businesses. In the ordinary course of its lending operations and in anticipation of the execution of various instruments in connection with proposed lending transactions, the appellant purchased 164 electronic stamp papers in the denominations of Rs.2,000/- and Rs.1,000/-.

3. According to the appellant, the stamp papers were purchased with a

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bona fide intention to use them in the proposed loan transactions. However, as the transactions did not materialise, the stamp papers remained unused and were no longer required for their intended purpose. Consequently, the appellant submitted an application dated 06.06.2025 to the respondent seeking a refund of the value of the unused stamp papers. The respondent, by order dated 29.09.2025 bearing No.4641/A4/2025, rejected the application on the ground that it had been submitted beyond the period of six months prescribed under Section 54 of the Indian Stamp Act, 1899.

4. Aggrieved by the said order, the appellant approached this Court by filing W.P.No.48468 of 2025, contending that the respondent had mechanically rejected the claim without properly examining the circumstances in which the stamp papers had remained unused and the applicability of Section 54 of the Indian Stamp Act. The appellant further contended that the respondent had failed to consider the reasons furnished for the non-utilisation of the stamp papers.

5. The learned Single Judge, by order dated 18.12.2025, dismissed the writ petition, observing that Section 54 of the Indian Stamp Act prescribes specific conditions for claiming allowance in respect of stamps that have not been spoiled or used, including the requirement that they must have been

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purchased within the period of six months preceding the date on which they are delivered to the Collector for cancellation. The learned Single Judge further held that, in the absence of an express statutory provision permitting extension of the prescribed period, the time limit could not be extended by judicial intervention. Aggrieved by the said order, the appellant has preferred the present writ appeal.

6. The learned counsel appearing for the appellant reiterated the grounds raised in the memorandum of appeal and submitted that the learned Single Judge had erred in dismissing the petition and had not noted that the respondent had rejected the claim by mechanically applying the period of six months without examining the relevant facts and circumstances surrounding the purchase and non-utilisation of the stamp papers. It was contended that the appellant had purchased the stamp papers in the ordinary course of its lending business and in anticipation of the execution of instruments relating to proposed transactions, which subsequently did not materialise. Therefore, according to the learned counsel, the respondent ought to have examined the bona fide intention behind the purchase, the payment of the full consideration, and the circumstances in which the stamp papers became unnecessary before rejecting the request for refund.

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7. The learned counsel further contended that the learned Single Judge had failed to distinguish between the period prescribed for claiming a refund and the continued usability or validity of the stamp papers. According to the appellant, the mere fact that the stamp papers had been purchased more than six months before the application for refund could not, without examination of the relevant circumstances and statutory requirements, be treated as sufficient to deny the claim. The learned counsel also submitted that the dates of purchase of the individual stamp papers and the circumstances relating to the respective proposed transactions required consideration. Reference was also made to Sections 51 and 53 of the Indian Stamp Act, contending that the statutory scheme governing allowances and refunds in respect of stamps not required for use, as well as stamps that had been spoiled or rendered unfit for their intended purpose, ought to have been considered before rejecting the claim. The learned counsel, therefore, prayed that the order passed by the learned Single Judge be set aside and direct the respondent to refund the value of the unused electronic stamp papers in the custody of the respondent, by allowing the present writ appeal.

8. The learned counsel relied upon the decision of the Hon’ble Supreme

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Court in **Rajeev Nohwar v. Chief Controlling Revenue Authority, Maharashtra State, Pune**, reported in **(2021) 13 SCC 754**, and the decision of the Delhi High Court in **Citius Real Estate Pvt. Ltd. v. Union of India**, reported in **2023 SCC Online Del 7514**, to contend that the statutory provisions governing refund claims ought to be applied after considering the relevant facts and circumstances of each case.

9. The learned counsel further relied upon the decisions of the Hon'ble Supreme Court in **Committee GFIL v. Libra Buildtech Pvt. Ltd., reported in (2015) 16 SCC 31**, and **Bano Saiyed Parwaz v. Chief controlling Revenue Authority and Others, reported in 2024 INSC 443**, submitting that a claim for refund should not be rejected solely on technical grounds without examining the substantive entitlement of the claimant and the applicable statutory provisions.

10. Per contra, the learned Additional Government Pleader appearing for the respondent submitted that the provisions of fiscal enactments, including the Indian Stamp Act, 1899, must be strictly interpreted. The learned Additional Government Pleader therefore submitted that the statutory conditions prescribed under Section 54 were required to be satisfied before a refund could be granted and that the respondent was justified in rejecting the refund claim made after the period of six months prescribed under the

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provision. It was further contended that, in the absence of an enabling provision in the statute, the prescribed period of six months could not be extended by judicial intervention. The learned Additional Government Pleader, therefore, prayed for the dismissal of the writ appeal.

11. We have considered the submissions advanced by the learned counsel appearing on either side and perused the materials available on record.

12. The principal issue that arises for consideration is whether the appellant's application for refund of the unused electronic stamp papers could be rejected merely on the ground that it had been submitted beyond the prescribed period, without examining the relevant circumstances surrounding the purchase and non-utilisation of the stamp papers and the applicability of the statutory provisions governing the claim.

13. Section 54 of the Indian Stamp Act provides as follows:

> " *54. Allowance for stamps not required for use:- When any person is possessed of a stamp or stamps which have not been spoiled or rendered unfit or useless for the purpose intended, but for which he has no immediate use, the Collector*

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shall repay to such person the value of such stamp or stamps in money, deducting (ten paise) for each rupee or portion of a rupee, upon such person delivering up the same to be cancelled, and providing to the collector's satisfaction - (a) that such stamp or stamps were purchased by such person with a bonafide intention to use them; (b) that he has paid the full price thereof; and (c) that they were so purchased within the period of six moths next preceding the date on which they were so delivered; Provided that, where the person is a licensed vendor of stamps, the Collector may, if he thinks fit, make the repayment of the sum actually paid by the vendor without any such deduction as aforesaid.

14. As could be seen, Section 54 of the Indian Stamp Act deals with the allowance for stamps that have not been spoiled or used but are no longer required for immediate use. The provision prescribes certain conditions that must be established to the satisfaction of the Collector before an allowance can be granted, including that the stamps were purchased with a bona fide intention to use them, that the full price was paid, and that they were purchased within the prescribed period preceding their delivery for cancellation. These statutory conditions are material to the determination of a

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claim for refund and cannot be disregarded.

15. It is trite law that limitation bars only the remedy and not the right. Of all, the State should not be seen to be holding on to technicalities and unduly resisting the claim of refund of Stamp duty, particularly when they have not been used at all. The State, while dealing with its citizens should not ordinarily rely on technicalities, even if such defences are open to it. In this regard, we are supported by the decision of Hon'ble Supreme Court in **Harchit Harish Jain and another v. State of Maharashtra and others, [2025 (3) SCC 365].**

16. Further, the Supreme Court has held in **Thiruvengadam Pillai vs. Navaneethammal, (2008) 4 SCC 530**, that the stipulation of six months period in Section 54(c) is not for the use of stamp paper. When the stamp papers could be used even after six months from purchase, to say that refund in lieu of the unused stamp papers cannot be sought for after six months appears anomalous.

17. More over, Section 51 provides for refund of stamped paper used for printed forms of instruments by any borrower or by any other incorporated company or other body corporate, if for any sufficient reason such forms have ceased to be required by them. In the present case also, the petitioner is a

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body corporate, claiming to be into lending business, which fact has not been disputed. The sprit behind this provision is equally applicable for the request of refund made by the petitioner herein.

18. Therefore, we are of the view that the rejection of the claim for refund of unused stamp paper merely on the ground of bar of six months period stipulated in Section 54(c) cannot be sustained.

19. No doubt, the determination of the claim therefore requires an examination of the relevant facts and the statutory conditions. However, in the case on hand, the petitioner's claim that the company is into lending business, purchased the e-stamp papers bonafidely for its future usage besides that it was unable to use the same as the intended transactions did not materialise are not in dispute. Therefore, we are of the view that the present appeal deserve to be allowed and the appellant is entitled for refund in respect of stamp papers in the custody of the respondents.

20. In the result, the writ appeal is allowed, and the order dated 18.12.2025 passed by the learned Single Judge in W.P.No.48468 of 2025 is set aside. The order dated 29.09.2025 bearing No.4454/A4/2025 (1-4, 57-95),

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passed by the respondent, is also set aside. The respondent is directed to refund the amount paid for the unused electronic stamp papers to the petitioner. No costs. Consequently, connected miscellaneous petition is closed.

(S.M.S.,J.) (R.R.V.,J.)
30-10-2026

Index: Yes
Speaking order
Neutral Citation: Yes

KST

To

The District Registrar
The Office of the District Registrar,
Central Chennai,
268, Bharathi Salai,
Express Estate,
Royapettah,
Chennai 600 002.

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Order QR

S.M.SUBRAMANIAM J.
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