IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH
****

202 **CWP-1017-2005 (O&M)**
Date of Decision: 16.02.2026

HARYANA VIDYUT PARSARAN NIGAM LTD. ...Petitioner

Vs.

UNION OF INDIA & ORS. …Respondents

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL
HON'BLE MR. JUSTICE AMARINDER SINGH GREWAL

Present:- Mr. Ajay Jagga, Advocate with
Ms. Neetu Kundu, Advocate and
Ms. Aishwarya Jagga, Advocate
for the petitioner

Mr. Sarthak Gupta, Advocate
for respondents
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<u>JAGMOHAN BANSAL, J. (ORAL)</u>

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking direction to respondents to pay interest on delayed refund of excise duty.

2. The petitioner is a State Government Public Sector Undertaking. The respondent issued show cause notices to petitioner raising demand of excise duty on fabrication of steel structure towers. The petitioner to avoid liability of interest and other penal consequences deposited a sum of Rs.5,25,750/- for the period from 06.04.1987 to 11.04.1987 and a sum of Rs.25,58,800/- for the period from 26.05.1988 to 29.07.1989 towards excise duty under protest. The Adjudicating Authority vide order dated 16.12.1986 confirmed the demand with respect to first period and vide orders dated

07.02.1989 and 13.02.1989 with respect to period from 26.05.1989 to 29.07.1989. The petitioner preferred appeals before Commissioner (Appeals), New Delhi which came to be allowed vide orders dated 16.09.1987 and 31.10.1990. The petitioner vide letters dated 17.07.1989, 07.08.1989, 05.09.1989, 20.10.1989, 14.02.1990, 19.07.1990 and 06.09.1990 requested the respondent to refund duty deposited under protest. The refund was sought on the ground of favourable orders passed by Appellate Authority. The respondent preferred appeals before Customs Excise and Gold (Control) Appellate Tribunal, New Delhi. The appeals came to be dismissed. The respondent filed reference applications under Section 35G of Central Excise Tax Act, 1944 (for short '1944 Act') which also came to be dismissed. The petitioner vide letter dated 11.02.1999 again requested respondent to refund already deposited excise duty. For the first time, the respondent vide letter dated 18.03.1999 directed the petitioner to file refund application in the prescribed proforma and furnish evidence of deposit of duty under protest. The petitioner along with letter dated 15.04.1999 submitted copy of show cause notices, orders in original, orders in appeals, T.R. 6 challans bearing stamp of paid under protest. The respondent vide letter dated 26.04.1999 informed the petitioner that their refund application would be processed after adjudication of reference application filed against order of Customs Excise and Gold (Control) Appellate Tribunal, New Delhi. The respondent finally sanctioned refund on 29.12.2000.

3. Learned counsel for the respondents submits that petitioner did not file applications in prescribed proforma and further did not submit requisite documents, thus, it was not entitled to interest. The petitioner

submitted requisite documents along with application in prescribed proforma on 27.07.2000 qua refund of Rs.25,58,800/- and on 09.08.2000 qua refund of Rs.5,25,750/-. The provision of interest on refund claim came into force w.e.f. 26.05.1995 and with respect to pending applications, interest was payable on the expiry of three months from the date of assent of the President to Finance Bill, 1995. The petitioner cannot claim interest prior to said date.

4. Heard the arguments and perused the record.

5. From the perusal of record, it is evident that petitioner deposited Central Excise Duty under protest. The Adjudicating Authority confirmed the demand and petitioner preferred appeals which came to allowed by Commissioner (Appeals). The petitioner filed multiple applications seeking refund. From petitioner's letter dated 11.02.1999, it is evident beyond the pale of doubt that refund was sought by letters dated 17.07.1989, 07.08.1989, 05.09.1989, 20.10.1989, 14.02.1990, 19.07.1990 and 06.09.1990. The respondent never disputed receipt of aforesaid letters and vide letter dated 18.03.1999 directed the petitioner to file application in prescribed proforma and submit show cause notices, orders in original, T.R. 6 Challans evidencing payment of duty etc. The petitioner in its letter dated 18.04.1999 specifically clarified that refund application was filed in prescribed proforma. It appears that respondents did not refund deposited amount because it was pursuing its remedies before Tribunal by way of appeal followed by reference application. This fact is evident from respondent's letter dated 26.04.1999. The petitioner was entitled to interest after the expiry of three months from the date of introduction of Finance Bill, 1995. Section 11BB of 1944 Act came into force w.e.f. 26.05.1995. The petitioner was entitled to interest on the expiry

of three months from 26.05.1995. The minimum and maximum limit of rate of interest has been prescribed under Section 11BB, however, actual rate is notified by Government by way of notification. The petitioner is entitled to interest at the rate as notified by Government and prevailing during the period in question.

6. In the wake of above discussion and findings, we are of the considered opinion that the instant petition deserves to be allowed and accordingly allowed. The respondents are hereby directed to pay interest to petitioner on the aforesaid amount at the applicable rate from the date as noticed hereinabove.

7. Pending application(s), if any, stands disposed of.

(JAGMOHAN BANSAL)
JUDGE

(AMARINDER SINGH GREWAL)
JUDGE

February 16, 2026
Deepak DPA

Whether Speaking/reasoned Yes/No
Whether Reportable Yes/No