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W.P.No.32136 of 2024



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03-07-2026

CORAM

THE HON'BLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No.32136 of 2024

M/s.Shri Masaniyamman Thunai Spinning Mills P. Ltd.
Rep. By Its Managing Director, K.Kalyana Sundaram,
SMT Nivas, No.53/1, Kondasamy Naidu Nagar,
Teachers Colony, Karamadai, Coimbatore-641 104.

..Petitioner(s)

Vs

1. The Union Of India
Rep. By Its Secretary, Ministry Of Textiles, Udyog
Bhawan, Ran Ahmed Kidwai Mars, Rajpath,
Central Secretariat, New Delhi-110 011.
2. TUF Cell
Rep. By Its Chief Manager, State Bank Of India,
Commercial Branch, NGN Vaidya Marg,
Horniman Circle, Fort Mumbai-400 001.
3. The State Bank Of India
Rep. By Its Chief Manager, Ganapathy Branch,
(B Code 03690), 285, Sathy Road, Ganapathy,
Coimbatore-641 012, Tamil Nadu.

..Respondent(s)

to call for the records relating to Order passed by the 1st respondent herein dated 05.08.2024, in File No. 9(80) / 2019 / CC / TUF / 12, to quash the same and consequently direct the respondents herein to release the subsidy arrears of Rs. 3,33,20,292/- (Rupees Three crores Thirty Three Lakhs Twenty Thousand Two Hundred and Ninety Two Only) payable to the petitioner under the TUF Scheme Loans, along with interest @ 18 percent p.a. from the date from which the interest subsidy was to be disbursed until the date of realisation.



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For Petitioner(s): Tarun Rao Kallakuru

For Respondent(s): Dr.K.Kannan
Senior Panel Counsel
for R.Rajesh Vivekanandan
Deputy Solicitor General for R1

Mr.M.Devaraj
for R3

ORDER

The present writ petition has been filed seeking a writ of certiorarified mandamus, to call for the records of the order passed by the first respondent dated 05.08.2024 in File No.9(80)/2019/CC/TUFS/12 to quash the same and to consequently direct the respondents to release the subsidy arrears of Rs.3,33,20,292/-, payable to the petitioner under the TUF Scheme loans, along with interest at the rate of 18% per annum from the date from which the interest subsidy was to be disbursed until the date of realisation.

2. At the outset, it is submitted by the learned counsel appearing for the petitioner as well as for the respondents that the issue raised for consideration in this petition stands covered by a decision of this Court in the matter of **Maris Spinner Limited Vs. Union of India and Ors.**¹.

Relevant portion of the said order is extracted hereunder:

"22. Though much emphasis has been made by the learned Additional Solicitor General that the scheme provided interest subsidy, is only a concession granted by the Government, as a matter of right, the petitioner cannot claim such

¹ 2026 SCC OnLine Mad 38



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concession. According to them, the circular itself clearly stipulate that to claim the benefit under the scheme, the loan details should have been submitted to the second respondent within the time period, as the bank being the Nodal Agency has not submitted the claim, the petitioner has not been extended with the benefits as a left out cases. He placed much reliance to the judgment of the Hon'ble Supreme Court in the case of State of Uttar Pradesh and others vs. Principal, Abhay Nandan Inter College and others reported in (2021) 15 SCC 600, wherein, the Hon'ble Apex Court has clearly held that a decision to grant aid to educational institution is a policy decision and while doing so Government is not only concerned with interest of institutions but also ability to undertake such exercise. Financial constraints and deficiencies are the factors which are considered relevant in taking any decision qua aid, including both the decision to grant aid and the manner of disbursement of an aid. Further, held that financial aid to the educational institutions is not a fundamental right.

23. The above judgment deals with financial aid or grant to the educational institutions, therefore, the facts of the above cases cannot be applied to the instant case. In the instant case, the Government has introduced a scheme namely TUFs scheme for providing 4% interest subsidy for the loans obtained by textiles mills. The petitioner has availed Rs.10 crores and paid the entire loan along with the interest. The petitioner had already become eligible and is entitled to get the interest subsidy from the respondents and the same cannot be denied merely on the basis of the some lapses on the part of the agent of the second respondent/third respondent. When the benefit is already accrued to the petitioner, merely on the basis of the time limit stipulated under the circular and the mistake committed by the bank/agent, the second respondent being the Principal and promised to provide such interest subsidy cannot shirk its responsibility and deny the right already accrued to the petitioner.

24. The very scheme introduced by the Government to provide a fresh lease of life and to strengthen the textile industry. Further, the scheme is also introduced taking note of the global disadvantages faced by the Indian textile industry in the field of power, transactional cost and additional cost borne by the industry due to poor infrastructure. Thus, the scheme was introduced to catalyse



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investments in all the sectors of textile by way of Reimbursement and Capital Subsidy on purchase of scheme eligible machineries. As the second respondent has assured such scheme and promised to provide interest subsidy to the petitioner unit cannot deny the right already accrued to the petitioner, since the eligibility of the petitioner is not in question.

25. Another contention of the learned counsel for the third respondent that the petitioner ought to have filed for recovery of money, such contention cannot be countenanced for the simple reason that when the promise made by the second respondent is not fulfilled and the petitioner also become eligible under the scheme, now, the parties cannot be directed to go to the Civil Court after several years.

26. In view of the foregoing reasons, the impugned order by the second respondent rejecting the petitioner's case under the TUFS scheme stands quashed. The second respondent is hereby directed to release the 4% admitted interest subsidy and the same shall be paid to the petitioner within a period of two months from the date of receipt of a copy of this Order. However, considering the nature of the claim, the petitioner-s claim for interest is rejected.

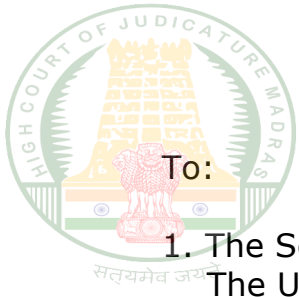
27. Accordingly, this writ petition stands partly allowed. No costs. Consequently, connected miscellaneous petitions stand closed."

3. In view thereof, the present writ petition stands disposed of on the same terms as of the order dated 05.01.2026 in the case of **Maris Spinner Limited** (cited *supra*). No costs.

03-07-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

(drm)



To:

1. The Secretary,
The Union Of India, Ministry Of Textiles,
Udyog Bhawan, Ran Ahmed Kidwai Mars,
Rajpath, Central Secretariat, New Delhi-110 011.
2. The Chief Manager, TUF Cell,
State Bank Of India, Commercial Branch,
NGN Vaidya Marg, Horniman Circle, Fort Mumbai-400 001.
3. The Chief Manager,
The State Bank Of India, Ganapathy Branch,
(B Code 03690), 285, Sathy Road, Ganapathy,
Coimbatore-641 012, Tamil Nadu.



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MOHAMMED SHAFFIQ, J.

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