

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

CWP No. 21556 of 2016.

Date of Decision: 22.04.2019.

M/s Friends Rice and General Mill

... Petitioner

Versus

State of Punjab and others

... Respondents

CORAM : Hon'ble Mr. Justice Jitendra Chauhan

Present : Mr. Jonny, Advocate for
Mr. Arvind Kashyap, Advocate,
for the petitioner.

Mr. Vikas Mohan Gupta, Addl. AG Punjab.

JITENDRA CHAUHAN.J.(ORAL)

The petitioner has sought quashing of order dated 21.01.2016 (Annexure P-10) vide which the claim of the petitioner unit for release of subsidy was declined. The petitioner has also sought quashing of condition No.2 of Sanction letter dated 07.12.2000 (Annexure P-3) vide which submission of Annual Production Return in Form-I(VI) was made mandatory for remaining four years for grant of subsidy with respect to Export Oriented Unit.

The petitioner is a partnership concern which had set up a small scale industry rice sheller and was an export Oriented Unit. The petitioner applied for subsidy with the respondents and vide letter dated 07.12.2000 (Annexure P-3), a capital subsidy of Rs.20,74,500/- was sanctioned. Later on, as Industrial Unit of the petitioner failed, it was auctioned by the loanee Bank. The petitioner had filed CWP

No.9732 of 2007 wherein stand was taken by the respondents that the unit is a closed unit and the objection with respect to the fact that petitioner did not fulfill the provision of Rule 2.22 of the Industrial Policy was never taken by the respondents. The said writ petition was decided on 20.05.2011 along with the lead case titled as **M/s Balak Gases Oxygen Gas Plant and another Versus State of Punjab and others** which was allowed by this Court. Respondents filed LPA No.834 of 2012 which was dismissed on 12.08.2013 and further SLP was also dismissed vide order dated 05.09.2014. However, vide impugned order dated 21.01.2016, the claim for release of subsidy was rejected on the ground that it does not fulfill condition of Rule 2.22 of Industrial Policy-1996.

On the other hand, it has been contended that since the petitioner has failed to comply with such condition as the petitioner had not submitted its Annual Return for another four years and even the Rice Sheller of the petitioner was closed down in the year 2004, therefore, the petitioner is not entitled for grant of capital subsidy.

Heard.

In **M/s Balak Gases Oxygen Gas Plants' case(supra)**

it was observed as under:-

“The respondents are directed to release the amount of incentive/subsidies and other benefits, to the petitioner-Industries, (if they are otherwise eligible and entitled to it), within a period of six months from the date of receipt of certified copy of this judgment, failing which,

thereafter six months, they (petitioner-Industries) would also be entitled to interest at the rate of 6% per annum on the accrued benefits till the realization of the amount in this context.

Learned counsel for the petitioner has not furnished any explanation as to why the petitioner has not provided the requisite return showing total production, export made during a year which was required under the Industrial Policy to be submitted for a period of five years. Moreover, the petitioner unit commenced its commercial production on 08.12.1999 and was auctioned by the Bank in the year 2004. Therefore, the industrial unit of the petitioner was not operational even for five years, therefore, the mandatory terms and conditions of the Industrial Policy-1996 were not complied with. Thus, the petitioner is not eligible for grant of subsidy amount. Learned counsel for the petitioner has also failed to show as to how condition No.2 of the sanction letter dated 07.12.2000 is against the Policy.

Dismissed.

22.04.2019.
SN

(JITENDRA CHAUHAN)
JUDGE

Whether speaking/reasoned :	Yes/No
Whether reportable :	Yes/No