IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-9479-2016 (O&M)
Date of decision : 14.05.2019

M/s Shiva Agro Industries
...Petitioner(s)

Versus

State of Punjab and others
...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JITENDRA CHAUHAN

Present: Mr. Parvez Chugh, Advocate,
for the petitioner.

Mr. Vikas Mohan Gupta, Addl.A.G., Punjab.

JITENDRA CHAUHAN, J.

Prayer in the instant petition is for grant of interest on the delayed payment of capital subsidy/investment incentive claim.

It is contended that in view of the Industrial Policy of 1996 and Punjab Industrial Incentive Code, the petitioner-firm was entitled to an amount of ₹9,71,500/- as investment incentives. The petitioner submitted application along with all requisite documents for release of the subsidy. The claim was considered and a sanction letter dated 04.01.2001 (Annexure P-1) was issued by respondent No.3. Despite the same and after having made several representations, the respondents failed to release the amount. Therefore, the petitioner approached this Court vide CWP-2329-2016 which was disposed of vide order dated 02.03.2016 (Annexure P-3) on the statement made by learned State counsel that on receipt of bank account details of the petitioner, the amount shall be credited in its account within two weeks thereafter.

It is contended that pursuant to order dated 02.03.2016 (Annexure P-3), though the amount of subsidy has been released in favour of the petitioner but no interest has been awarded on the delayed payment.

On the other hand, learned State counsel submits that the sanction letter (Annexure P-1) specifically mentions that the investment incentives will be released/disbursed subject to availability of funds and strictly as per the seniority maintained by the department. There is no provision of grant of interest on the amount of subsidy, which has already been released to the petitioner.

Heard.

A perusal of the sanction letter (Annexure P-1) reveals that there was no condition of payment of interest and it was clearly mentioned that the subsidy would be disbursed on availability of funds as per seniority. The relevant extract of the sanction letter reads thus:-

> *"Meeting of the Committee to consider investment incentive claims was held on 12.12.2000. The Committee has sanctioned an amount of ₹9,71,500/- (Rupees Nine lacs Seventy One thousand Five Hundred only) is investment incentive subject to condition that the disbursement will be made on the availability of funds and strictly as per seniority (Except priority categories declared by the Govt. from time to time), provided unit found in the working condition in operation at the time of disbursement."*

Thus, the sanction letter clearly stipulates that the amount would be disbursed on the availability of funds on seniority basis and there was no condition of payment of interest on the delayed payment.

In view of the above, finding no merit in the instant petition, the same is hereby dismissed.

14.05.2019 **(JITENDRA CHAUHAN)**
atulsethi **JUDGE**

Whether speaking / reasoned : Yes No

Whether Reportable : Yes No