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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 5458/2017

MCLEOD RUSSEL INDIA LTD. & ANR Petitioners

Through: Mr Padam Khaitan, Mr Rajat Jariwal, Mr Sahil Narang, Mr Bharat Gupta and Mr Vinay P. Tripathi, Advocates.

versus

UNION OF INDIA & ORS

..... Respondents

Through: Mrs Bharathi Raju, CGSC for UOI/R-1.

Ms Diksha Rai, Standing Counsel for the State of Assam and Ms Palak Mahajan, Advocate for R-2.
Ms Manjusha Jha, Advocate for R-3.

Mr Abhinav Shrivastava, Mr Rahul Gupta and Ms Sana Kamra, Advocates for R-4.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER

% 14.03.2019

1. The petitioners have filed the present petition, *inter alia*, impugning a letter dated 18.06.2014, issued by the Ministry of Commerce and Industry (Department of Industrial Policy and Permission), Government of India (hereafter 'the respondent'). In terms of the said letter, the quantum of interest subsidy as admissible in case of "an existing industrial unit", which had undergone "substantial expansion", was restricted to 3% of the increase in the working capital loan actually drawn after undergoing substantial expansion. The increased working capital was directed to be computed as an amount of

working capital, over and above the average of the working capital loan availed by the industrial unit during the two financial years preceding the date of commencement of commercial operations, after undergoing substantial expansion.

2. The petitioner company claims that it is entitled to interest subsidy of 3% on the entire working capital and the same cannot be restricted to the incremental working capital in terms of the “Central Interest Subsidy Scheme, 1997”. The petitioner further claims that it was receiving the said interest for a period of two to eight years, depending on the date of commercial expansion of various expansion units.

3. The learned counsel appearing for the respondents concede that the said controversy is squarely covered by the decision of the Gauhati High Court in ***PDP Steels Ltd. v. Union of India and Ors.: W.P.(C)57/2018 and other connected matters***, decided on 22.05.2018. The learned counsel also point out that in terms of the said decision, the Hon’ble Gauhati High Court had set aside the letter/circular dated 18.06.2014 (which is also impugned in the present petition). The respondent has also not preferred any special leave petition against the said decision as yet and the time for doing so has since elapsed.

4. In view of the above, the present petition is allowed and the respondents are directed to compute and pay the interest subsidy in accordance with the decision of the Gauhati High Court in ***PDP Steels Ltd. (supra)*** within a period of three months from today.

VIBHU BAKHRU, J

MARCH 14, 2019/RK