



WP.No.33149/2015

WEB COPY IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.10.2022

CORAM:

THE HONOURABLE MR.JUSTICE S.S.SUNDAR

WP.No.33149/2015

S.Sasikumar

.. Petitioner

Vs.

1.The Assistant Director
Khadi and Village Industries
Commission, 326, Avvai Shanmugam
Road, Gopalapuram
Chennai-600086.

2.The District Collector
Namakkal.

.. Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorarified mandamus calling for the records with respect of the impugned order passed by the 1st respondent dated 29.09.2015 his proceedings No.SOT/PMEGP/Namakkal/2015-16 and quash the same and consequently direct the 1st respondent herein to entertain the application of the petitioner in Application No.115 dated 10.07.2015 claiming benefits under Prime Minister's Employment Generation Programme [PMEGP] and provide 35% of subsidy for establishing crusher unit in SF.No.35/3B, Sungaharampatty Village, Paramathi Velur Taluk, Namakkal District within a reasonable time.



WP.No.33149/2015

For Petitioner : Mr.T.Mohan Raju for
Mr.R.Nalliyappan
For R1 : No appearance
For R2 : Mrs.M.Geetha Thamaraiselvan
Special Government Pleader

ORDER

- (1) The above writ petition is filed challenging the order of the 1st respondent dated 29.09.2015 with a prayer to quash the same and consequently to direct the 1st respondent herein to entertain the application of the petitioner in Application No.115 dated 10.07.2015 claiming benefits under Prime Minister's Employment Generation Programme [PMEGP] and provide 35% of subsidy for establishing crusher unit in SF.No.35/3B, Sungaharampatty Village, Paramathi Velur Taluk, Namakkal District within a reasonable time.
- (2) Despite the matter is being adjourned for several times, the learned counsel for the petitioner is unable to give necessary particulars so as to conclude that the petitioner is entitled to the benefit of the scheme, namely, Prime Minister's Employment Generation Programme [PMEGP] for his project.



WP.No.33149/2015

WEB COPY

(3) The petitioner states that he intended to establish a Crusher Unit in the name of Sri MSE Blue Metal in the private property of the petitioner situate in S.No.35/3B, Sungaharampatty Village, Paramathi Velur Taluk, Namakkal District. The petitioner had obtained permission from the local authority, Department of Industries and Commerce, Tamil Nadu Pollution Control Board etc. The petitioner states that M/s.Karur Vysya Bank Limited, Paundamangalam, Namakkal District, has approved loan to the petitioner's project to be established by him. It is stated by the petitioner that he submitted an application to avail subsidy of 35% of the cost of project under PMEGP scheme. The grievance of the petitioner is that the application of the petitioner was not considered and therefore, he filed a writ petition earlier in WP.No.22712/2015 for issuing a direction to the respondents therein to provide 35% of subsidy under PMEGP by considering the application of the petitioner dated 10.07.2015 for establishing a stone crusher unit. The said writ petition was disposed of by order dated 28.07.2015 in the following lines:-



WP.No.33149/2015

WEB COPY

"4.Though the petitioner prayed for a larger relief, this Court, in the light of the facts and circumstances, without going into the merits of the claim projected by the petitioner, directs the first respondent to consider and dispose of the petitioner's application dated 10.07.2015 in accordance with law, if the papers are otherwise in order and pass orders within a period of six weeks from the date of receipt of a copy of this order and communicate the decision taken, to the petitioner. The writ petition is disposed of accordingly. No costs."

- (4) Thereafter, the 1st respondent herein by the impugned communication dated 29.09.2015 returned the petitioner's application stating that the application of the petitioner placed before District Level Task Force Committee in their Meeting held on 10.07.2015 and that the Committee had rejected the project due to the fact that the petitioner had no sufficient knowledge about the project. Challenging the same, the present writ petition is filed.
- (5) The learned counsel for the petitioner submitted that the impugned



WP.No.33149/2015

WEB COPY

order is arbitrary, unreasonable and against well settled principles.

He would submit that the petitioner was interviewed by the 1st respondent pursuant to his application and that the petitioner's application had been improperly rejected as if the petitioner is not having proper knowledge about the project proposed by him. It is the further submission of the learned counsel that the 1st respondent has not applied his mind and simply rejected the application of the petitioner without assigning proper reasons. Learned counsel also pointed out that the order is non speaking.

- (6) The writ petition was contested by the 1st respondent by filing a counter affidavit explaining the scheme known as the Prime Minister's Employment Generation Programme [PMEGP]. The PMEGP is a flagship scheme of the Ministry of Micro, Small and Medium Enterprises, Government of India. The scheme is being introduced from the year 2008-09 and Khadi and Village Industries Commission is the single Nodal Agency at the National as well as State Level. It is stated by the 1st respondent that the scheme is being organized at the State Level through the State Khadi and



WP.No.33149/2015

WEB COPY

Village Industries Board and Khadi and Village Industries Commission in rural areas and District Industries Centre both in rural and urban areas. As per the scheme, the applications received from the prospective candidates are placed before the District Level Task Force Committee headed by the District Collector and other members who are the other implementing agencies of the scheme. After preliminary scrutinisation of the applications by the State office of the 1st respondent, the eligibility of the persons seeking assistance under the scheme are required to be assessed. Depending upon a few parameters like area of the project, fulfilment of per capita investment, the nature of industry and proposed activity, the financial assistance under the scheme will be provided to individual entrepreneurs. Therefore, there is a selection process that is envisaged under the scheme. As per Clause 11[i][c] of guidelines on PMEGP, selection of candidates depends on the experience, technical qualification, skill, viability of the project etc.

- (7) The District Level Task Force Committee headed by the District Collector has to conduct the interview of every applicants and as



WP.No.33149/2015

WEB COPY

per the score card, suitable candidates alone will be selected by the District Level Task Force Committee. Since the District Level Task Force Committee has rejected the application after scrutiny of the application and conducting interview, it is contended by the 1st respondent that the petitioner is not eligible for not having any knowledge of the project.

- (8) This Court considered the facts stated by the petitioner as well as events tabulated by the 1st respondent in the counter affidavit.
- (9) The petitioner has come before this Court challenging the communication which only inform the petitioner about the decision of the District Level Task Force Committee which has rejected the petitioner's application on the ground that he has no knowledge about the project.
- (10) The petitioner wanted to establish a Crusher Unit at a cost of Rs.25 lakhs. Though the petitioner, like any other entrepreneur, is eligible to apply, it is not as if everyone who want to start an industry can avail the benefit of the scheme. One of the crucial fact that is seen from the counter affidavit is that the applicants' applications under



WP.No.33149/2015

WEB COPY

the PMEGP scheme will be considered and depending upon the eligibility of the applicants after conducting interview and assessment of candidates and their capabilities, a decision will be taken by the District Level Task Force Committee. The petitioner has earlier submitted an application under PMEGP scheme for a granite polishing industry. The said application was rejected. Thereafter, the petitioner has filed a subsequent application for establishing a stone crusher unit. Unless the petitioner has enough experience and knowledge about the project which he intends to commence the project with the financial assistance of a Bank and subsidy announced by the Government, the project will fail and therefore, this Court is unable to find fault with the decision of the Committee to return the application on the ground that the petitioner has no knowledge about the project in which the petitioner intend to invest with the public money. This Court finds no irregularity in the decision making process.

- (11) It appears that the petitioner attracted by the subsidy announced under the scheme, has approached the respondents with an



WP.No.33149/2015

WEB COPY

application. The interview conducted by the 1st respondent is for a purpose. It is to be seen that PMEGP contemplates giving proper training to the young entrepreneurs in different fields so that the project commenced by them with the assistance of the public funds will generate employment and fulfils the required objectives. The selection process envisaged under Clause 11[i][c] is therefore, very important.

- (12) In the facts and circumstances of the case, this Court is not inclined to interfere with the order of the 1st respondent. Therefore, the writ petition is **dismissed as devoid of any merits**. No costs.

27.10.2022

AP

Internet : Yes

To

1.The Assistant Director
Khadi and Village Industries
Commission, 326, Avvai Shanmugam
Road, Gopalapuram
Chennai-600086.

2.The District Collector
Namakkal.



WEB COPY



WP.No.33149/2015

S.S.SUNDAR, J.,

AP

WP.No.33149/2015

27.10.2022