

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

210

**CWP-10623-2017 (O&M).
Date of Decision: 05.09.2022.**

M/s Mahavir Industries

...Petitioner

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present: Mr. Varun Goyal, Advocate for the petitioner.

Ms. Niharika Sharma, AAG, Punjab.

VINOD S. BHARDWAJ. J.

The present writ petition has been filed under Articles 226/227 of the Constitution of India, seeking issuance of a writ in the nature of mandamus directing respondent No.3 to release the capital subsidy along with interest sanctioned in favour of the petitioner company.

Learned counsel appearing on behalf of the petitioner contends that the State of Punjab had adopted various policies for providing incentives to entrepreneurs to promote industrialization in the State. The petitioner company set up industrial/manufacturing unit of Stabilizer and Inverters at Dhuri, District Sangrur and therefore, was

entitled to the release of capital subsidy in terms of the policy issued by the State of Punjab in the years 1992, 1996 and 2003. Resultantly, the petitioner along with other similarly placed industries applied for release of capital subsidy to the extent of 30% of the total fixed costs subject to maximum of Rs.30 lacs. He contends that the petitioner company was sanctioned an investment incentive of Rs.1,60,000/- vide letter dated 01.08.2001, however, the same has not been released so far.

Written statement on behalf of respondents has been filed by way of affidavit of Mr. Shammi Kumar, Functional Manager, District Industries Centre, Malerkotla, wherein it is submitted that initially the department denied the claims of capital subsidy of various persons/units that were either closed or sold out at the time of disbursement. However, a decision was passed by this Court in the matter of “**M/s Balak Gases Oxygen Gas Plant and others Vs. State of Punjab and another,” in CWP No.19007 of 2002**, decided on 20.05.2011 as per which the claim of such units were allowed. Resultantly, the department was flooded with a large number of cases. It is submitted that the respondent department is not denying the claim of capital subsidy to the petitioner, however, it has been decided to disburse the capital subsidy to all such units as per their seniority.

It is thus evident that claim of the petitioner for release of the subsidy has not been denied. The only contention advanced on behalf of the respondent State is that the same would be released as per seniority.

Learned counsel appearing for the respondent State has today referred to Memo No.1091 dated 01.09.2022 issued to the petitioner as per which the petitioner has been called upon to submit an affidavit so that the sanctioned subsidy can be released.

In view of the fact that the claim of the petitioner is not being denied and the respondent State contends that it had been unable to release the subsidy for want of affidavit to be furnished by the petitioner and a communication has also been now sent to the petitioner vide Memo No.1091 dated 01.09.2022, the present petition is disposed of with a direction that the petitioner shall approach the respondent authorities within a period of one month and shall furnish the requisite affidavit/documents required by the respondents to ensure release/grant of capital subsidy/investment incentive as claimed by the petitioner whereupon the requisite amount/subsidy shall be released in favour of the petitioner within a period of two months from the date of submission of the requisite documents/affidavit with the respondent authorities.

It is made clear that in the event the needful is not done within the said period, the petitioner shall be entitled to interest @ 6% per annum from the date of this order till its actual disbursement.

September 05 2022
raj arora

(VINOD S. BHARDWAJ)
JUDGE

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