



WEB COPY



W.P.No.7336 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.10.2024

CORAM :
THE HONOURABLE MR. JUSTICE M.DHANDAPANI

Writ Petition No.7336 of 2024

Maris Agro Products Private Limited,
CIN-U01132TZ1990PTC010818,
Rep. by its Director, Mr.T.Jayaraman,
5/98, Havukal Estate,
Kotagiri – 643 217, Nilgiris.

... Petitioner

Vs.

1.Tea Board of India,
(Ministry of Commerce & Industry, Dept. of Commerce, Govt of India),
Rep. by Deputy Director of Tea Development,
'Shelwood', Club Road, P.O. Box No.6,
Conoor – 643 101, Nilgiris.

2.Union of India,
Rep. by the Secretary, Ministry of Commerce & Industry,
Department of Commerce,
Vanijya Bhawan,
New Delhi – 110 001.

... Respondents

Writ Petition filed under Article 226 of Constitution of India, praying for issuance of Writ of Certiorarified Mandamus calling for records leading up to the passing of the impugned order dated 25.09.2023 bearing Ref.No.19(A)/1/QUPDS/XII/KTG/2015-16/604 and to quash the same and consequently direct the respondents to forthwith release to the petitioner the



W.P.No.7336 of 2024

subsidy amount totalling to Rs.41,99,367/- with interest at 18% per annum for the date of the Sanction (06.02.2018) till date of actual payment.

WEB COPY

For Petitioner : Mr.Roshnan Balasubramanian

For Respondents : Mr.K.Ramanamoorthy,
Central Government Standing Counsel

ORDER

This writ petition has been filed by the petitioner to call for the records leading up to the passing of the impugned order dated 25.09.2023 bearing Ref.No.19(A)/1/QUPDS/XII/KTG/2015-16/604 and to quash the same and consequently direct the respondents to forthwith release to the petitioner the subsidy amount totalling to Rs.41,99,367/- with interest at 18% per annum for the date of the Sanction (06.02.2018) till date of actual payment.

2. The case of the petitioner is that the petitioner is a tea grower. The first respondent/Tea Board was established on 01.04.1954, as per the provisions of Section 4 of the Tea Act, 1953. The first respondent is an arm of Ministry of Commerce and Industry, falls within the meaning of Article 12 of the Constitution and it introduced various subsidy schemes for Factory upgradation. The petitioner company running the business of tea estates and



the production of tea. The first respondent had introduced the Tea Development & Promotion Scheme for XII Plan Period (upto 31.03.2017) to enhance the quality of tea product and to incentivize modernization of tea manufacturing units, warehouses and units dealing with value addition of tea. The petitioner fell within the parameters of the targeted beneficiaries under the scheme under Component 2.1 for Factory Upgradation. The petitioner had applied for the grant of subsidy by way of application dated 14.08.2015 and the same was received by the first respondent on 17.08.2015.

2.1. After scrutinizing and inspection of the building and other things, the first respondent granted subsidy of Rs.41,99,367/- vide letter dated 06.02.2018. However, the sanction order was not implemented by the first respondent. Thereby, the petitioner sent a reminder representation dated 13.06.2023. On the basis of reminder representation, the first respondent passed the order bearing Ref.No.19(A)/1/QUPDS/XII/KTG/2015-16/604 dated 25.09.2023, by rejecting the earlier subsidy on the ground that the intimation regarding completion of activity was not submitted in writing within 9 months from the date of submission of application. Challenging the



W.P.No.7336 of 2024

said order, the petitioner has come forward with the present writ petition.

WEB COPY

3. Learned counsel for the petitioner submitted that as per Implementation of Tea Development Promotion Scheme Modalities (15th Finance Commission 2021-2026), the payment under pending liabilities shall be strictly restricted to the availability of fund sanctioned by the Ministry and instruction issued by the Headquarters Kolkata. On the above said grounds, the present impugned order dated 25.09.2023 has been passed, which cannot be allowed to continue, once the authority, at that time of existence of scheme has granted subsidy by satisfying all the formalities vide order dated 06.02.2018, cannot be varied in the year 2020, which is after a lapse of five years and the same is arbitrary and impermissible one. Accordingly, he prayed for allowing this writ petition.

4. Per contra, learned counsel appearing for the respondents submitted that the letter dated 25.09.2023 vide reference No.



W.P.No.7336 of 2024

19(A)/1/QUPDS/XII/KTG/2015-16/604 was issued to the petitioner indicating the deviations of scheme guideline as mentioned below:

(i) The intimation regarding completion of activity was not submitted in writing within nine months from the date of submission application. In the instant case, the date of submission of application is 17.08.2015 and the date of receipt of completion report in the Board's the then Kotagiri Regional Officer is 15.06.2016.

(ii) As per the XII Plan Scheme guideline under the Component of QUPDS Section 8.13 "Intimation regarding completion of activity to be given to field office in writing within nine months from the date of submission of application otherwise the application will be cancelled, even though works are completed, in the permissible nine months' time"

(iii) In addition to that, as per the XII Plan scheme guidelines, Component - 2 Clause L (3) states that "The Tea Board shall reject any application, either in part or full without assigning any reason thereof if at any stage it is found that applicant has violated the terms and conditions of the scheme".

(iv) Moreover, the said scheme came to an end on 31.03.2017 (XII Plan) and presently not in existence so also the budgetary allocations.



WEB COPY

5. Learned counsel appearing for the respondents would further submit that the sanction letter dated 06.02.2018 issued by the Board which has specifically mentioned that the sanction is subject to conformity with the provisions of the Quality Up-gradation and Product Diversification Scheme. Moreover the modalities and scheme guidelines of Tea Development and Promotions Scheme for the XII Plan period provided that the Tea Board shall reject any application either in part or full, without assigning any reason thereof, if at any stage it is found that applicant has violated the terms and conditions of the scheme. Hence, in the instant case, sanction letter was cancelled by the Component Authority due to contravention of scheme guidelines.

6. Learned counsel appearing for the respondents would further submit that as per the XII Plan Scheme guideline under Component 2.B.8, the applicant has to submit their application to the nearest field office of Tea Board. The field office after verification of the application will issue No Objection Certificate (NOC) in approved format within 15 days, for the



application, where only machinery items are involved. However, if no NOC is received by the applicant within 15 days, they may go ahead with the installation process. On scrutiny, if the application found ineligible, the application will be returned immediately explaining the reason.

7. Learned counsel appearing for the respondents would further submit that in the instant case, as the application was found in order the NOC was issued to the Petitioner within 15 days from the date of receipt of application to enable them to procure and install the machineries and to intimate within nine months from the date of receipt of application to the field office for making necessary arrangement for Post Installation inspection.

8. Heard the learned counsel on either side and perused the materials available on record.

9. The facts in the present case are not in dispute. Admittedly, the petitioner is the tea grower and availed the scheme promoted by the first respondent in Tea Development & Promotion Scheme for XII Plan Period



(upto 31.03.2017). As per the scheme, the petitioner purchased various machineries. He was entitled to benefit of subsidy and to install the same under the said scheme. After installation, he made application on 14.08.2015 and the same was received by the first respondent on 17.08.2015. Thereafter, the subsidy was sanctioned vide letter dated 06.02.2018 to the tune of Rs.41,99,367/-. However, the sanction order was not implemented upto to the year 2023. Thereby the petitioner made reminder representation on 13.06.2023. On the basis of the reminder representation, the earlier subsidy granted by the first respondent was cancelled on 25.09.2023, after a lapse of five years on the ground that the intimation regarding completion of activities was not submitted in writing within 9 months from the date of submission of application.

10. However, the fact remains that the issue was considered by the authority and upon satisfaction, they released the subsidy of Rs.41,99,367/- vide order dated 22.02.2018. The said sanction cannot be varied after five years by way of the impugned order dated 25.09.2023, which is impermissible one. Hence, the order impugned is liable to be set aside and



W.P.No.7336 of 2024

the first respondent is directed to release the subsidy in regard to the petitioner, as per the letter dated 22.02.2018, within a period of four weeks from the date of receipt of a copy of this order.

11. This writ petition is allowed with the aforesaid observation and directions. No costs.

03.10.2024

vm

Index : Yes/No

Speaking Order : Yes/No

Neutral Citation : Yes/No

To:

1. Tea Board of India,
(Ministry of Commerce & Industry, Dept. of Commerce, Govt of India),
Rep. by Deputy Director of Tea Development,
'Shelwood', Club Road, P.O. Box No.6,
Conoor – 643 101, Nilgiris.

2. The Secretary, Ministry of Commerce & Industry,
Department of Commerce,
Vanijya Bhawan,

Page No.9 of 11



W.P.No.7336 of 2024

New Delhi – 110 001.

WEB COPY

M.DHANDAPANI,J.

vm



WEB COPY



W.P.No.7336 of 2024

W.P.No.7336 of 2024

03.10.2024