



W.P.No.17570 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.08.2024

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

W.P.No.17570 of 2024

M/s.GDR Polymer Industries,
Rep. By its Partner D.J.Kennady,
No.4/109, Vijayaramapuram, Sathankulam,
Thoothukudi 628 704

... Petitioner

Vs

The Industries Commissioner and
Director of Industries and Commerce,
SIDCO Corporate Office Building,
Guindy Industrial Estate,
Chennai 600 032

..... Respondent

Prayer :

Writ Petition filed under Article 226 of Constitution of India
praying for the issuance of a Writ of Certiorarified Mandamus calling for
the records relating to the respondent rejection order in
Rc.no.25680/LC2/2023 dated 08.04.2024 and quash the same and
consequently direct the respondent to pay the compensation seeking relief
package to the petitioner's unit without insisting the registration of EM



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PART II or UAM as on the cut off date of 01.01.2019.

For Petitioner : Mr.R.Karunagaran

For Respondent : Mr.C.Kathiravan,
Special Government Pleader

ORDER

This Writ Petition has been filed challenging the order passed by the respondent thereby rejected the claim of compensation made by the petitioner.

2. The petitioner is the manufacturer of one time use plastic. Due to ban on one time use plastic, the petitioner's association made representation with regards to pendency of the loan amounts. Considering the said representation, the Government passed order in GO.Ms.No.74 as a relief package. However, the petitioner had not availed any benefit as affected manufacturer. Initially the Government order allowed the relief only for existing term loan as on date of ban with other requirement. As per the subsequent Government order in GO.Ms.No.17 Micro, Small and Medium Enterprises (D2) Department dated 15.03.2023, the petitioner is also coming under the beneficiaries list and submitted application for



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grant of relief. However, the application submitted by the petitioner was rejected without any valid reason. Therefore, the petitioner submitted representation on 19.09.2023 to reconsider the request made by the petitioner. It was also rejected on the ground that the petitioner does not have EM Part II.

3. The learned counsel appearing for the petitioner would submit that the petitioner availed loan as an eligible Micro, Small and Medium Enterprises (hereinafter called as 'MSME') loan unit during the year 2017 and EM Part II has come into existence way back during 2014. Further, EM Part II is scale to measure to ascertain the eligible subsidy for aspiring business loan applications and the present payment is a compensation in nature paid as subsidy / grant for units affected due to ban of the product by the Government and business closed without any fault by the MSME units. The Government granted relief calculating 50% of the outstanding loan and the remaining 50% loan has to be paid by the petitioner. Similarly placed persons approached this Court and this Court directed that the sanctioned amount shall be disbursed to the concerned units within a period of four weeks from the date of receipt of the order.



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Insofar as the dispute as between the petitioner and the creditor banks, the same has to be worked out independently in accordance with law. Therefore, the petitioner made claim, however the same was rejected.

4. Heard, the learned counsel appearing on either side and perused all the materials placed before this Court.

5. On perusal of the counter filed by the respondent, revealed that the Government subsequently passed order in GO.Ms.no.17 Micro, Small and Medium Enterprises (D2) Department dated 15.03.2023 by which the affected MSME's can claim the relief for the outstanding working capital. However, the petitioner has not registered in the Udyam Portal prior to the ban and availed Udyam registration certificate only on 22.03.2023 for the sole purpose of availing the relief benefits.

6. On perusal of the records, revealed that the petitioner had applied and availed as an eligible MSME loan unit during the year 2017 and EM Part II has come into existence way back during the year 2014. They did not hold EM Part I registration details. Further, there is no



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contact or communication from the Department till date and even while applying for UDYAM in the Government website, their business credentials already pre-existing with namely commencement date 11.03.2011. Further, as per memorandum (Part II) Date on MSME Sector published by Development Commissioner (Micro, Small and Medium Enterprises) Ministry of Micro, Small and Medium Enterprises, New Delhi as laid down details as per the provisions of the Act MSME's file entrepreneurs memorandum (Part I) at District Industries Centres (DICs) filing of EM-II is discretionary for Micro, Small and Medium Enterprise engaged in both manufacturing and services.

7. In view of the above, the order impugned cannot be sustained and the same is liable to be quashed. Accordingly, the impugned order passed by the respondent dated 08.04.2024 is quashed. The respondent is directed to allow the claim made by the petitioner and disburse the compensation within a period of six weeks from the date of receipt of copy of this order.

8. With the above direction, this writ petition stands allowed.



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There shall be no order as to costs.

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Neutral citation: Yes/No

Index: Yes/No

Speaking/Non-speaking order

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To
The Industries Commissioner and
Director of Industries and Commerce,
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Guindy Industrial Estate,



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G.K.ILANTHIRAIYAN, J.

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