



W.P.(MD)No.14549 of 2019

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **05.12.2024**

CORAM:

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

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S.Rajasekaran

... Petitioner

/Vs./

1.The Branch Manager,
Canara Bank, Checkkanoorani,
Thirumangalam Taluk,
Madurai District.

2.The General manager,
District Industries Centre,
Madurai.

3.The Director,
Khadi and Village Industries Commission,
Ministry of Micro, Small Medium Enterprises,
Government of India, State Office,
No.326, Avvai Shanmugam Road,
Gopalapuram, Chennai-600 086,
Tamilnadu.

... Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, to call for the records relating to the impugned proceeding of the third respondent vide No.SOT/PMEGP/complaint/2017-18/743, dated 26.04.2018 and quash



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the same as illegal and consequently direct the third respondent to sanction the balance subsidy amount of Rs.2,00,000/- as per Prime Minister Employment Generation Programme Scheme (PMEGP) and sanction Memorandum of first respondent, dated 09.03.2017.

For Petitioner : Mr.K.C.Ramalingam
For R1 & R2 : No appearance
For R3 : Mr.S.Murugan

ORDER

This writ petition has been filed challenging the order passed by the third respondent, dated 26.04.2018, thereby, rejected the request made by the petitioner for grant of balance subsidy of Rs.2,00,000/-.

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

3. The petitioner had applied for setting up the wiring mould unit under the Prime Minister Employment Generation Programme Scheme (PMEGP) for the year 2015 and 2016. The second respondent



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sanctioned the loan amount with the subsidy. As per the scheme, if a person belongs to OBC, other backward class, if the unit is situate in the rural area, he is entitled to get 35%. Admittedly, the petitioner is residing at Mayandipatti Village of Thirumangalam Taluk and it is a rural area. Further, the petitioner belongs to other backward community and as such, the petitioner is entitled to get subsidy at 35%. In fact, the application submitted before the third respondent indicated and requested the third respondent to advice the bank to disburse an amount of Rs.3,50,000/- being the Government subsidy sanctioned by the third respondent.

4. In fact, the first respondent also indicated the subsidy to the tune of Rs.3,50,000/- from the sanctioned loan. The petitioner was sanctioned loan to the tune of Rs.10,00,000/- on 31.03.2017. However the petitioner has paid a sum of Rs.1,50,000/- as subsidy instead of Rs.3,50,000/-. Therefore, the petitioner submitted a representation and the same was rejected on the ground that he is entitled for subsidy to the tune of Rs.1,50,000/-.



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5. A perusal of the counter affidavit revealed that if the petitioner is belongs to SC, ST, OBC, Women, PHC, Ex.Service Man and minority, NER, Hill and Border area, who set up units in Rural area, he is entitled to 35% subsidy. The beneficiary is not entitled to 35% as mentioned in the petition since the petitioner has not produced certificate of OBC and Rural area certificate at the time of submitting the application of the loan.

6. On a perusal of the records revealed that even in the loan application, the petitioner categorically mentioned that he belongs to OBC and the area in which, the petitioner had set up the Unit. Therefore, without even perusing all the records, the claim of the petitioner was mechanically rejected

7. In view of the above, this Court finds infirmity in the order passed by the third respondent, dated 26.04.2018 and it cannot be sustained and liable to be quashed.

8. Accordingly, the order of the third respondent dated 26.04.2018 is quashed and the writ petition is allowed. The third respondent is



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directed to sanction the balance subsidy amount of Rs.2,00,000/- under the Prime Minister Employment Generation Programme Scheme (PMEGP), within a period of two weeks from the date of receipt of a copy of this order. No costs.

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Index : Yes / No
Internet : Yes/No
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G.K.ILANTHIRAIYAN, J.

am

Order made in
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