



W.P (MD).No.52 of 2018

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 29.11.2024

CORAM

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

W.P (MD).No.52 of 2018

1. R.Sudha,
2. K.Ramesh,

... Petitioners

Vs.

1. The Assistant Director
National Horticulture Board,
Ministry of Agriculture, Govt. of India,
Model No.37, Industrial Estate,
Guindy, Chennai - 600 032

2. The Chief Manager,
Bank of India,
Sivakasi.

... Respondent

Prayer: Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records relating to the petitioners claim of subsidy of the 1st respondent in the letter ref. No.NHB/Chennai/40th LOI/Subsidy claims/2017-18 dated 02.11.2017 quash the same and consequently direct the 1st respondent to pay the eligible subsidy amount of Rs.8 Lakhs with banking rate of interest from 01.11.2011 the date of availing the loan from the 2nd respondent within a time to be stipulated by this Court.

For Petitioners : Mr.S.Venkatesh

For Respondent : Mr.K.Govindarajan
Deputy Solicitor General of India
for Mrs.B.Deepa for R1

: Mr.A.Thiyagarajan for R2



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ORDER

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This writ petition has been filed challenging the order passed by the first respondent dated 02.11.2017, thereby rejected the claim made by the petitioners seeking subsidy.

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

3. The petitioners had purchased the property comprised in S.Nos. 908/1, 2, 3, 4 and 5 and 917/1, etc., situated in Nathikudi Village, Sivakasi Taluk, admeasuring 18.08 Acres by registered sale deed vide document Nos. 1045 of 2011, dated 24.02.2011 and 3114 of 2011 dated 01.07.2011 and he is an agriculturist and he decided to form a Horticulture Farm by planting fruits bearing trees. Therefore, the petitioners approached the second respondent for financial assistance, for development of horticulture farm. While applying for loan, the petitioners was informed to submit an application for availing subsidy benefit from the first respondent through the second respondent. Accordingly, the petitioners availed loan to the tune of Rs.16 Lakhs, in order to develop the project, in which he is entitled for subsidy to the tune of 20% from the loan availed by the petitioners. However, the claim of the petitioners was rejected



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on the ground that the petitioners failed to avail loan to the tune of 35% or more the cost of the project in order to satisfy NHB Scheme guidelines formulated by the Government of India.

4. On perusal of the guidelines of the Scheme of Development of Commercial Horticulture through Production and Post Harvest Management Horticulture Crops, the general condition is that credit component as means of finance of the project should be term loan from banking or non banking financial institutions and should be at least 15% more than the admissible rate of subsidy. The admissible rate of subsidy is 20% of the entire project cost. Approximate project cost of the petitioners was Rs.40 Lakhs, in which, the petitioners availed loan from the second respondent to the tune of Rs.16 Lakhs. If the petitioners availed loan more than 15% of the subsidy, i.e.,20%, the first petitioners are entitled for subsidy. But, the claim was rejected by the first respondent on the ground that the admissible rate of subsidy is 20% and the petitioners sought to have availed 35% of term loan from the second respondent. The first petitioners project was Rs.40 lakhs and the petitioners ought to have availed as per the guidelines back ended capacitor subsidy. She availed loan only to the tune of Rs.16 lakhs, which is less than 35%, to satisfy NHB Scheme guidelines form by the Government of India, it is against the



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guidelines for the schemes and as such, it cannot be sustained and liable to be quashed, since the petitioners availed loan to the tune of Rs. 16 lakhs and it is more than 15% of the subsidy of 20%. 20% of subsidy comes around Rs.8 lakhs out of the entire project cost of Rs.40 lakhs.

5. Admittedly the petitioners availed loan to the tune of Rs.16 lakhs. Therefore, 15% more than subsidy of 20% comes around Rs.9.20 lakhs. Therefore, more than 15% of the subsidy, the petitioners availed loan, i.e., to the tune of Rs.16 lakhs. Therefore, the petitioners are very much entitled for subsidy.

6. In view of the above, the order passed by the first respondent in Ref.No.NHB/Chennai/40thLOI/Subsidy claims/2017-18, dated 02.11.2017, is not sustainable and the same is liable to be quashed, accordingly quashed. The first respondent is directed to disburse the subsidy within a period of eight weeks from the date of receipt of copy of this order, through the second respondent, in accordance with law.

7. With the above direction, this writ petition is allowed. No costs.

Internet : Yes
Index : Yes/No
NCC : Yes/No
LS

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To

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