IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.11299 of 2017

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M/s Narsingh Singh Proprietorship fir having its registered office at Village Karah, P.O. Harpur Karah, P.S. Baniyapur, District Chapra (Saran) & Head Office at Saketpuri, Road No. 1 Hanuman Nagar, Kankarbagh, Patna – 20, through its Proprietor and Promoter Mr Narsingh Singh Son of Late Brahma Singh, Resident of Village-P.O.-Harpur Karah, P.S.-Baniyapur, District-Chappra, Saran.

... ... Petitioner/s

Versus

1. The State Of Bihar through the Principal Secretary, Industries Department Government of Bihar
2. The Principal Secretary, Industries Department, Government of Bihar, Patna
3. The Principal Secretary, Department, Mines and Geology, Bihar.
4. The Director Industries, Government of Bihar.
5. The Director Technical, Department of Industries, Government of Bihar, Patna.
6. The State Investment Promotion Board, Bihar, Patna.

... ... Respondent/s

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Appearance :

For the Petitioner/s : Mr. Mrigank Mauli, Sr. Advocate

For the Respondent/s : Mr. Abbas Haider-SC6

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CORAM: HONOURABLE JUSTICE SMT. G. ANUPAMA CHAKRAVARTHY

ORAL JUDGMENT
Date : 28-08-2025

1. The Writ petition is filed for the following reliefs:-

> *"(i) For issuance of order/orders, direction/directions or writ/writs in the nature of mandamus directing and commanding the respondent authorities to grant 20% of the Project cost in the form subsidy to*

the petitioner firm in terms of the Industrial Incentive Policy 2011.

(ii) For issuance of order/orders, direction/directions or writ/writs in the nature of mandamus directing and commanding the respondent authorities to grant State Investment Promotion Board (for sake of brevity referred as "SIPB") approval and sanction-20% of the Project cost in the form of subsidy in terms of the Industrial Incentive Policy-2011.

(iii) For issuance of order/orders, direction/directions or writ/writs in the nature of mandamus directing and commanding the respondent authority to hold the Project Approval and Monitoring Committee (PAMC) meeting and sanction the subsidy in terms of the policy of the government.

(iv) For any other appropriate

reliefs which may be given to the petitioner under the given facts of the case."

2. The case of the petitioner, in brief, is that the petitioner, a proprietorship firm engaged in the business of stone crushing, filed the present writ petition seeking directions to the respondent authorities, for grant of 20% subsidy on the project cost under the Industrial Incentive Policy, 2011 framed by the State of Bihar. It is submitted that the petitioner planned to establish a stone crusher unit at Mauza-Surdaspur, District-Sheikhpura, Bihar, with a total project cost of ₹6,44,34,000/- and installed capacity of 4,80,000 MT per annum. It is further submitted that the petitioner applied for approval of the project from the State Investment Promotion Board (hereinafter called as SIPB) on 04.05.2015. The application was considered in the SIPB meeting dated 05.08.2015 but was kept pending, due to the absence of clearance from the Mines and Geology Department. It is further submitted that the petitioner later submitted the

required clearances from the Mines and Geology Department and the State Environment Impact Assessment Authority (SEIAA), Bihar, on 04.03.2016. Despite this, SIPB approval was not granted before the expiry of the 2011 policy, on 30.06.2016. The petitioner claims to have commenced commercial production on 01.10.2016 and contended that it is eligible for subsidy under Clause 8 of the Industrial Incentive Policy - 2016, which allows benefits to projects approved under the 2011 policy and having commenced production before 31.03.2017 or as per the approved DPR.

3. The Learned Senior counsel for the petitioner contended that due to inaction and delay on the part of the Industries Department, the proposal was not placed before SIPB for final approval, despite fulfilling all the requirements. The non-consideration of the petitioner’s proposal is said to be arbitrary and in violation of Article 19(1)(g) of the Constitution of India, and contrary to the doctrine of promissory estoppel.

4. The Learned Senior counsel for the

petitioner further contended that the petitioner has fulfilled all requirements of the 2011 Policy and submitted all documents, including environmental and mining clearances, prior to 30.06.2016. The SIPB, despite holding meetings on various dates including 17.03.2016, 29.04.2016, and 21.06.2016, failed to take up the petitioner's case. It is further contended that the Industries Department, acting as the Secretariat of SIPB, was statutorily obligated to place the petitioner's proposal before SIPB within one month, as per Clause 2.4(iii) of Letter No. 128 dated 16.01.2006. It is further submitted that the petitioner acted in reliance on the policy and hence, denial of subsidy violates the principle of fairness and the doctrine of legitimate expectation.

5. It is further submitted that the petitioner altered its position and made substantial investments relying on the promises under the 2011 Policy. Therefore, denial of subsidy attracts the doctrine of promissory estoppel.

6. Reliance is placed by the Learned

Senior counsel on the judgment of the Hon'ble Division Bench in *M/s Sunny Star Hotels Pvt. Ltd. v. State of Bihar*, 2020 (2) BLJ 55, wherein SIPB approval was held sufficient for grant of incentives.

7. A detailed counter affidavit was filed on behalf of the respondents. It is averred in the counter affidavit that the 2011-Industrial Incentive Policy expired on 30.06.2016, after completing its five-year term. It is further averred that the petitioner's project was considered in the SIPB meeting on 05.08.2015, but approval was deferred due to lack of required clearances. There was no final recommendation by SIPB before the expiry of the policy.

8. The Learned counsel for the respondents contended that as per Clause 2(4) of the 2011 Policy, only those units that commenced commercial production within five years from 01.07.2011 were eligible for subsidy. Since the petitioner commenced production on 01.10.2016, it falls outside the cut-off date. It is further submitted that the petitioner is also not eligible under Clause

8 of the 2016 Policy as its proposal was neither recommended by the SIPB nor approved by the competent authority prior to 30.06.2016.

9. The Learned counsel for the respondents further contended that in absence of SIPB’s final recommendation, the matter could not be placed before the "competent authority" as defined under Letter No. 128 dated 16.01.2006.

10. It is lastly submitted that the petitioner may apply afresh under the Bihar Industrial Investment Promotion Policy-2016, subject to fulfillment of eligibility criteria therein.

11. A rejoinder to the counter affidavit was filed on behalf of the petitioner wherein it is stated that all deficiencies were removed before the expiry of the 2011-Policy, further the Environmental and mining clearances were submitted on 04.03.2016. It is averred in the rejoinder that SIPB meetings were convened thereafter on 17.03.2016, 29.04.2016, and 21.06.2016, but the petitioner’s case was not placed, due to inaction of the Industries

Department. It is further averred that as per Letter No. 128 dated 16.01.2006, SIPB was required to place the proposal before the competent authority within one month, which was not done. It is also averred that the petitioner, having fulfilled all requirements, cannot be penalized for administrative lapses of the respondent authorities and Clause 8 of the 2016 Policy provides for carry forward of benefits of the 2011 Policy for units that commenced production before 31.03.2017.

12. On hearing the Learned Senior counsel Mr. Mrigank Mauli for the petitioner as well as the Learned counsel for the respondents, and upon perusal of the materials on record, the Court finds that it is not in dispute that the proposal of the petitioner was considered in the SIPB meeting dated 05.08.2015, but no recommendation was made, due to pending environmental and mining clearances. Though the petitioner submitted the clearances on 04.03.2016, there is no evidence on record to show that the SIPB ever reconsidered or recommended the proposal before the expiry of

the 2011-Policy on 30.06.2016. As per Clause 2(4) of the 2011 Policy, new industrial units are those which commenced production within five years from 01.07.2011. The petitioner commenced production on 01.10.2016, which falls outside this period.

13. The Court also finds that no approval was granted by the competent authority as defined in Letter No. 128 dated 16.01.2006. The carry forward benefit under the 2016-Policy is available only to those units whose projects were approved by the competent authority under the 2011-Policy. Since the petitioner's project was never recommended by SIPB nor approved by the competent authority, it cannot claim benefit under Clause 8 of the 2016 Policy.

14. In view of the facts and circumstances of the case and applicable provisions of the Industrial Incentive Policy, 2011 and 2016, this Court is of the considered opinion that no vested right accrued in favour of the petitioner under the 2011 Policy, as the project was

never approved by the competent authority.

15. With the aforesaid discussion, the writ petition stands dismissed, being devoid of merit.

16. Interlocutory Application(s), if any, shall stand disposed of.

(G. Anupama Chakravarthy, J)

Spd/-

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	09.09.2025
Transmission Date	