IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

205 **CWP-4919-2017 (O&M)**
Date of decision: 08.05.2025

M/s Prince Ice Cream (Regd.)

...Petitioner

Versus

Union of India and others

...Respondents

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. R.N. Lohan, Advocate and
Mr. Ajay Kumar Yadav, Advocate
for the petitioner.

Mr. Sudhir Nar, Sr. Panel Counsel,
for respondent No.1-UOI.

Mr. Rajesh Gaur, Addl. A.G., Haryana.

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KULDEEP TIWARI, J.(oral)

1. The Director General of Industries & Commerce, Haryana declined the application for availing grant in aid under Scheme of Technology Up-gradation / Establishment / Modernization of Food Processing Industries under National Mission on Food Processing (hereinafter referred to as “NMFP”), on the ground of de-linking of the Scheme w.e.f. 01.04.2015, which has caused grievance to the petitioner, and propelled him to file the instant petition by challenging the declining order dated 28.10.2015.

2. The Ministry of Food Processing Industries (hereinafter referred as “MFPI”) had launched a Centrally Sponsored Scheme (CSS)– National Mission on Food Processing during the 12th Five Year Plan

(2012-17) for its implementation through States / U.Ts. Further the Government of India had approved continuation of Mission during the remainder of 12th Five year Plan. The basic object behind "NMFP" was of decentralization of implementation of Ministry's Scheme, which will lead to substantial participation of State Governments /U.Ts. The main object and the guidelines of the implementation of National Food on Processing was to promote facilities for post-harvest operations, including setting up of food processing industries, and it also included the up-gradation of Food Processing Units. The main object of the Scheme was to increase the level of processing, reduction of wastage, value additions, enhance the income of farmers as well as increase exports thereby resulting in overall development of Food Processing Sector.

3. The scheme also envisaged the financial assistance to new food processing units in the form of grant-in-aid i.e. 25% of the cost of plant & machinery and technical civil work, subject to a maximum of Rs. 50 lakhs in general areas.

4. The petitioner applied under the NMFP by filing an application for grant of financial assistance in respect of Food Processing Industries on dated 03.07.2014, for Technical up-gradation / Establishments, Modernization of Food Processing Industry through Assistant General Manager, State Bank of Patiala, Panipat along with other documents. Further the State Bank of Patiala had sanctioned term loan of Rs. 53,00,000/- for the purchase of machinery, and as per the cost of project and means of finance, the subsidy amount (grant-in-aid) Rs. 27.33 lakh was assessed. The application submitted by the petitioner was assessed by the

Department of Industries and Commerce (respondents No. 2, 3 & 4), and thereafter, a specific response was sought from the petitioner to intimate about the specific scheme of Ministry of Food Processing Industries, whether, he filed the application for Technical up-gradation/ Modernization / expansion / setting up or refer any Scheme under the National Mission of Food Processing for grant-in-aid applied for. The query as raised by the respondent – Department was duly answered vide letter dated 04.02.2015. Thereafter, certain shortcomings were found in the application of the petitioner, and intimation was made to the petitioner on dated 13.02.2015, about the said observations. Subsequently, the petitioner -company removed the shortcomings on dated 25.02.2015, and intimated the respondent- department that the commercial production had started way back on dated 10.10.2014. The respondent – department again sought certain clarifications on 16.03.2015, which was duly replied on dated 18.03.2015.

5. Thereafter, the Government of India, Ministry of Food Processing Industries issued instructions dated 27.03.2015, and informed the State about withdrawal / de-linking of the said Scheme. In view of the decision taken by the Government of India, the case regarding sanction of grant-in-aid to the petitioner could not be put up before the competent authority i.e. State level Empowered Committee for consideration by the department concerned, and subsequently, it was filed on consequent withdrawal of the Scheme.

6. What reflect from the above facts, *qua* which there is no wrangle, is that the petitioner before withdrawal of the notification (supra),

has already answered to all the queries, and removed all the objections. The delay, if any, is on the part of the Department of Industries, State of Haryana as the last clarification submitted by the petitioner was on dated 18.03.2015, whereas the Government of India, has de-linked the Scheme on dated 27.03.2015. The lackadaisical and indolent approach of the respondent – department, cannot be a reason for the petitioner to suffer.

7. The petitioner on account of the Scheme floated, which ought to have been remained in effect from 2013-17, applied for loan, and upgraded his project believing the fact that he would be entitled for the 25% subsidy amount. The State Government without taking into consideration, that the petitioner has already complied with all terms & conditions, and also invested a huge amount in the up-gradation of the project, and specifically when he already complied with all the formalities prior to de-linking of the Scheme by the Government of India, his application should have been decided by taking final decision, but unfortunately, the same was not done, and the case of the petitioner was not put up before the State Government Empowered Committee by the department on the basis of their own whims and fences. Therefore, this Court is of the considered view that the impugned letter closing the claim of the petitioner, requires interference by this Court, therefore, the instant petition is **allowed**, and order dated 28.10.2015, is hereby, **quashed**.

8. The State of Haryana, Department of Industries and Commerce (respondents No. 2, 3 & 4), is directed to re-consider the case of the petitioner in view of the fact that the petitioner was not at fault, and keeping in view the the fact that the petitioner's application remained pending with

the department concerned, and thereafter, no objection after dated 20.03.2015, was raised thereupon; specifically when the Scheme was alive. The department shall take fresh decision within a month from passing of this order, and communicate the same to the petitioner.

9. Ordered accordingly.

08.05.2025 **(KULDEEP TIWARI)**
Satyawan **JUDGE**

Whether speaking/reasoned: Yes/No
Whether Reportable: Yes/No