



IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 17.12.2025
Pronounced on : 05.01.2026

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CORAM:

THE HONOURABLE MR. JUSTICE N. SATHISH KUMAR

W.P. No.8340 of 2020
and
WMP.Nos.10004 & 10005 of 2020

M/s.Maris Spinner Limited
11, Cathedral Road, Chennai – 600 086
Represented by Mr.Anandkumar Rengaswamy
Managing Director

... Petitioner

Versus

1. The Union of India
Represented by the Joint Secretary
Ministry of Textiles, New Delhi

2.Office of the Textile Commissioner
Ministry of Textiles, Government of India
Nishta Bhavan, New CGO Building, 48,
New Marine Lines, Mumbai – 400 020

3.Indian Overseas Bank (Nodal Bank)
Cathedral Branch (109), 762, Anna Salai
Chennai - 600 002, Tamil Nadu

4.M/s.NABARD Consultancy Services (NABCONS)
24, Ranjendra Place, 7th Floor, NABARD Building
New Delhi – 110 125

... Respondents

Prayer: Writ Petition is filed under Article 226 of Constitution of India, pleased to issue a Writ of Certiorari, calling for the records of the 2nd respondent relating to the impugned order dated 31.10.2018 (F.No.TUFSGR0173/167/314,315) and quash the same as illegal, arbitrary and devoid of merit and consequently direct the Office of



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the 2nd respondent to disburse and refund the eligible interest subsidy amount of Rs.1,97,36,557/- (Rupees One Crore Ninety Seven Lakhs, Thirty Six Thousand, Five Hundred and Fifty Seven) upto June 2019 granted to the petitioner under the TUFS along with a delayed interest of 12% per annum.

For Petitioner : Mr.P.H.Aravindh Pandian, Senior Counsel
for MrVikram Veerasamy
For Respondents : Mr.AR.L.Sundaresan, Additional Solicitor General
assisted by Mr.Ravimeenakshmi Sundaram,
CGSPC for R1 & R2
Mr.K.K.Sivashanmugam for R3
Standing Counsel

ORDER

Challenging the order of the second respondent dated 31.10.2018 rejecting the request of the petitioner to disburse the interest subsidy of 4% under TUFS, the present writ petition has been filed and also for a consequential direction to the third respondent for payment of Rs.1,97,36,557/- reflecting the Quarterly interest subsidy at 4% along with a delayed interest at 12% per annum to the petitioner.

2. Brief facts leading to filing of this writ petition are as follows:-

2.a. The Petitioner is a company engaged in the manufacture of 100% cotton yarn (spinning mills) with an installed capacity of 49536 spindles has manufacturing units in the States of Tamil Nadu and Karnataka. In order to modernize its facilities, the petitioner availed a term loan of Rs.10,00,00,000/- from the 3rd respondent bank on 15.06.2010, which was duly accepted and confirmed as eligible for 4% interest subsidy under the Technology Upgradation Fund Scheme (TUFS) introduced by the Government of India by the third respondent vide letter



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dated 31.07.2010. Pursuant to the sanction of the loan, the petitioner complied with all conditions prescribed under the scheme and regularly filed the Quarterly Interest Subsidy Claims (QISC) through the 3rd respondent bank within the stipulated time, so as to ensure that the 4% interest subsidy under the TUFS was applicable and payable to the petitioner unit. Despite such compliance, the interest subsidy amounts were not disbursed to the Petitioner. Repeated representations made to the bank and to the Office of the Textile Commissioner did not yield any result. The Petitioner was subsequently informed that its claims had been categorized as “Left Out Cases” and kept in abeyance on the ground that the relevant records were uploaded by the Nodal Bank only on 10.01.2014. The petitioner once again approached, the Ministry of Textiles, thereafter, the second respondent has sent the impugned letter dated 31.10.2018 stating that since, TUFS is a bank driven scheme and the eligibility is established by the concerned nodal banks. As per the available records, the details of the sanctioned term loan of Rs.10 crores on 14.06.2010 was uploaded by the third respondent only on 10.01.2014 as a Left Out Case and the Government has taken a decision not to extend the benefits to such left out cases under TUFS.

2.b. It is the grievance of the petitioner that though all requisite documents were furnished to the bank as early as during December 2010, and that any delay in uploading the records was solely attributable to the Nodal Bank and not to the petitioner. This position was later confirmed by the 3rd respondent bank through



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communication addressed to the 2nd respondent vide letter dated 07.12.2018, requesting consideration and release of the subsidy amounts. It is further stated that policy deliberations of the Inter-Ministerial Steering Committee recognized that delays not attributable to beneficiary units ought to be condoned and that “left out cases” should be reviewed for disbursement, however, notwithstanding such policy intent and repeated requests, the subsidy amount was not released. It is further stated that the petitioner has paid all the payments towards the Term Loan from the third respondent and No Due Certificate is also issued to the petitioner by the third respondent on 26.12.2019, during the entire tenure of loan, the petitioner has paid a total sum of Rs.6,09,60,644/- towards the Quarterly Interest for the said Term Loan. To the abovementioned sum, the Quaterly Interest subsidy (calculated at 4%) is Rs.1,97,36,557/- ought to be reimbursed and paid to the petitioner by the third respondent upon the sanction made by the second respondent. Aggrieved by the impugned communication dated 31.10.2018 issued by the 2nd respondent and the continued non-disbursement of the eligible subsidy, the petitioner has approached this Court invoking Article 226 of the Constitution of India for payment of Rs.1,97,36,557/- by the third respondent along with a delayed interest at 12% per annum.

3. Counter has been filed by the respondents 1 and 2 admitting the sanctioning of loan of Rs.10 crores and stated that the claim was supposed to have been submitted within six months from the date of sanction, i.e., 14.12.2010. In case



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of inadequate response from the bank, the petitioner ought to have approached the second respondent through online appeal in light of the circular dated 28.01.2009 in No.28(19)/2008-MS under para 1(iv)(a) for coverage under TUFS. Since, the third respondent has submitted the term loan of the petitioner as "Left out case" only on 10.10.2014 to the second respondent, the first respondent has decided not to extend the benefit of the TUFS scheme to the Left Out Cases. In the absence of the non-adherence of the terms of conditions of the various circulars/notifications/memorandums of the first respondent, the petitioner cannot plead ignorance of the non-uploading of the details of the sanctioned term loan as per the conditions and is estopped from claiming subsidy as a matter of right and therefore, this petition is liable to be dismissed in limine.

4. Counter has also been filed by the third respondent bank opposing the writ petition by stating as follows:-

a. even though the bank had sanctioned the loan on 14.06.2010, the disbursement of the loan after fulfilling the terms and conditions of the sanction happened in multiple tranches with the first disbursement falling on 27.09.2010, falling within the black out period, wherein, the TUFS scheme was not operational. The blackout period is where the Government halted the subsidy payments to the eligible textile unit. It is not a case that term left out refers to the loan account was



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failed to be uploaded in the website of office of the second respondent by this respondent, the term black out are referring the stoppage of interest subsidy to textile industries in TUF scheme. The black out period was made by the second respondent on the reason of paucity of fund.

b. The petitioner who was eligible initially under the scheme, during the progress of loan tenure was met with refusal by the second respondent as the petitioner's case fall under black out period. Despite the above, the bank had uploaded the loan details to the second respondent on 10.01.2014 in pursuant to the letter of the second respondent dated 08.01.2014. In pursuant to the office letter of the second respondent dated 20.03.2014 stating that left out cases (other than black out period cases) still pending for consideration has to be submitted on or before 10.04.2014. Hence, the date was extended, therefore, the third respondent submitted the loan details on 10.01.2014 to the second respondent, there is no laches or lapses on the part of the third respondent. The third respondent is under no legal obligation to pay the interest subsidy under the terms and conditions of the sanctioned term loan and TUF scheme formulated by the second respondent are separate and different. The interest subsidy under TUF scheme is payable by the second respondent. The combined writ of mandamus to disburse and refund the subject amount is a civil remedy and not permissible under Article 226 of the Constitution of India. Therefore, submitted that the writ petition is not maintainable and seeks for dismissal of this writ petition.



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5. Common rejoinder is filed by the petitioner in response to the counter affidavit of the respondents 1, 2 and 3 stating as follows:-

a. The third respondent has an implied authority to act as an agent of the respondents 1 and 2 and their relationship is that of a principal-agent relationship and their pleadings in their counter affidavit are per se contrary and is in conflict of each other. The qualification and entitlement of the loan given to the petitioner was not under normal lending norms, as claimed by the third respondent, but rather admittedly was determined based on the TUFS scheme. The petitioner's loan was sanctioned much prior to the date of discontinuing the scheme and stoppage of new sanctions. Only new sanctions were stopped during the balack out period, i.e., 29.06.2010 to 27.04.2011 and the units that were sanctioned the term loan prior to the blackout period were given the eligibility clearance and are eligible under the TUFS for payment of subsidy. The blackout period is only concerned with sanction of new loans during the said period and not with regard to the loans already sanctioned under the TUFS.

b. The term "blackout" refers to the period, viz., 29.06.2010 to 27.04.2011, when no new sanctions were to be issued under the TUFS, wherein, "left out" cases are such that are eligible under the TUFS, wherein, the nodal agencies have failed to submit the claims of the units on time having deprived the units the benefit of the



subsidy payment. Thus, "left out" case as of the petitioner cannot be equated to that of a blackout period case. Since, the third respondent bank itself has admitted that the office memorandum was issued by the second respondent with regard to the "left out" cases other than the blackout period cases, which are still pending for consideration, therefore, the details of the petitioner was uploaded as a left out cases and thus, the petitioner do not fall within "black out cases" or a "left-out cases", rather fall under "left out" case.

c. the intention of TUFS scheme is to grant subsidy benefits to units, in order to facilitate modernization upgradation of textile mills, therefore, the scheme ought not to be briddled by limitation provided by the second respondent and the petitioner's case ought to have been allowed.

d. that the disputes regarding subsidy, the unit claiming subsidy cannot be said to have hired any "service" of the Central Government for consideration of providing the subsidy to the unit and the Central Government cannot be said be a "service provider" for consideration. Therefore, the petitioner cannot be said to be a "consumer" or "service" as defined under the Consumer Protection Act and without charging anything from the petitioner, the respondents 1 and 2 cannot be said to be a "service provider" for consideration within the meaning of Consumer Protection Act, 1986.



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6. The learned senior counsel for the petitioner submitted that the petitioner unit had availed a term loan of Rs.10 crores under the Technology Upgradation Fund Scheme (TUFS) introduced by the second respondent which is a flagship scheme of the Ministry of Textiles/second respondent. The scheme was continued in modified form till 28.06.2010. the very object of the TUFS scheme is to leverage investments in technology upgradation with a special emphasis on balanced development across the value chain. The petitioner was sanctioned the term loan on 15.05.2010 and as per the scheme, the petitioner became eligible for 4% of interest subsidy, the third respondent bank has also granted eligibility clearance under the TUFS scheme to the petitioner textile unit by letter dated 31.07.2010. Challenging the impugned order rejecting the request of the petitioner to disburse 4% interest subsidy, the learned senior counsel for the petitioner contended as follows:-

a. that once the petitioner has become eligible to claim interest subsidy of 4%, the third respondent bank/Nodal Agency under the scheme ought to have referred the matter to the second respondent and later, the third respondent has also sent a communication in this regard. Whereas, the impugned order has been passed on the ground that since the claim has been made beyond the period, the Government has taken a policy decision not to extend the scheme to the petitioner as a "Left Out Cases"



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b. that once the petitioner has become eligible under the scheme, the right to claim 4% interest subsidy is accrued in favour of the petitioner and merely because the bank has sent a communication belatedly, the third respondent bank being the agent of the second respondent to implement the scheme of the second respondent, the second respondent as a principal is liable to pay that amount. Therefore, when the scheme clearly provide such benefit to the petitioner, the same cannot be denied for the mistake being committed by the third respondent bank and the petitioner's accrued right cannot be denied .

c. In all, the learned senior counsel contended that the impugned order cannot be sustained in the eye of law and seeks for a direction to the second respondent to extend the benefit of 4% interest subsidy and sanction the same to the petitioner along with delayed interest. In support of his submissions, he placed reliance on the following judgments:-

a. Shri Bajrang Extraction Pvt Ltd and another vs. The Secretary to the Government of M.P. and others reported in AIR 1993 MP 202

b. Branch Manager (The), the Kota Central Cooperative Bank Ltd and another vs. The District Legal Service Authority and others reported in 2016(2) RLW 1212(Raj.)



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7. Whereas, the learned Additional Solicitor General for the respondents 1 and 2 submitted that though the third respondent bank is appointed as a Nodal Agency to provide the scheme, the circular issued in this regard in Circular No.8(2008-2009 series) dated 28.01.2009 makes it clear that the benefits under TUFs will not be extended to those units who have been sanctioned loan on or after 01.04.2008 but lending agencies do not raise a claim for reimbursement/capital subsidy with the office of the Textile Commissioner within one year of date of sanction of loan in the prescribed quarterly format I, II and III. The said circular also provides that in the event of the petitioner do not get adequate response from the lending agency may appeal to the office of the Textile Commissioner during the 10th month after the sanction of the loan. Therefore, once the lending agency do not raise a claim for reimbursement/capital subsidy within the time stipulated in the circular, the benefit will not be extended. Hence, it is the contention that interest subsidy is a policy of the Government and it is extended only for a particular period, whereas, in this case, the bank has sent the communication only in the year 2014 much after the scheme is abandoned, therefore, the Government has taken a policy decision not to extend the benefit to the 'Left Out Cases'. Hence, it is the contention that the very scheme itself is concession extended by the Government, Such option under the scheme will not create vested right to claim subsidy interest particularly when the Nodal Agency has not sent the loan details within the period of six months after the sanction of loan, therefore, as a matter of right, the petitioner cannot claim any



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subsidy after lapse of many years. Hence, seeks for dismissal of the writ petition. In support of his submissions, he placed reliance on the following judgments:-

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a. State of Uttar Pradesh and others vs. Principal, Abhay Nandan Inter College and others reported in (2021) 15 SCC 600

8. The learned standing counsel for the third respondent bank submitted that though loan has been sanctioned on 14.06.2010, the first disbursement of the loan fall within the black out period where TUFs scheme was not operational and there was a black out/left out period for 11 months starting from 29.06.2010 to 27.04.2011 under the TUFs for textile industries. The blackout/left out period refers to the time when the government had halted the subsidy payments to the eligible textiles unit. The term black out and left out are referring to the stoppage of interest subsidy to textile industries in the TUF scheme. The blackout/left out period was made by the second respondent on the reason of paucity of fund. The petitioner's case fall under the black out and left out period. Despite the above fact, the third respondent has uploaded and submitted the loan details of the petitioner on 10.01.2014, therefore, the bank cannot be found fault with in this regard. It is the further contention that the combined writ of mandamus to disburse and refund the subject amount is a nothing but a civil remedy and therefore, writ petition under Article 226 of the Constitution of India is not maintainable. When a policy is decision



is taken by the Government and the scheme is introduced, as a matter of right, the petitioner cannot seek recovery of money after the lapse of several years. Even assuming that the petitioner was entitled to subsidy as per the scheme, by operation of law of limitation the scheme is barred. Therefore, the petitioner is not entitled to any such amount. Therefore, submitted that the writ petition is not maintainable and the same is liable to be dismissed. In support of his submissions, he placed reliance on the following judgments:-

a. State of Assam and another vs. Ajitkumar Sharma and others reported in 1965 AIR 1996

b. Sail and another vs. Awadesh Singh and others reported in (2001) 10 SCC 621

c. Hindustan Paper Corporation Ltd vs. Ananta Bhattacharjee and others reported in (2004) 6 SCC 213

d. Sri Sudha Constructions vs. ITI Limited made in W.A.No.477 of 2017 dated 21.08.2017

9. Heard both sides and perused the materials placed on record.

10. It is not in dispute that the petitioner had been sanctioned a term loan of



Rs.10 crores on 15.06.2010 by the third respondent bank under the Technology Upgradation Fund Scheme (TUFS scheme). The only defence taken by the second respondent is that the third respondent being the Nodal Agency has not submitted the claim within a period of six months from the date of sanction, on or before 14.12.2010 in terms of the circular dated 12.05.2008 before the second respondent and further, no appeal has been filed by the petitioner within a period of one year before the second respondent as per the circular dated 28.01.2009.

11. Whereas, it is the contention of the third respondent bank that though the bank has sanctioned the loan on 15.06.2010, the first disbursement was made on 27.09.2010. According to the third respondent, the disbursement of loan fell within the black out period where the TUFS scheme was not operational. The blackout period refers to the time when the Government had halted the subsidy payments to the eligible textile units. Therefore, though the petitioner was initially eligible under the TUFS scheme, during the progress of loan tenure, the petitioner's case fell under the black out period. Despite the above fact, the bank has uploaded the loan details of the petitioner on 10.01.2014.

12. It is relevant to note that the second respondent introduced the TUFS scheme for providing 4% subsidy interest, the only defence of the second respondent is that the bank has not submitted the loan details within a period of six months as per



the circular dated circular dated 12.05.2008, therefore, the Government has taken a policy decision not to extend the benefit for the left out cases. The very defence taken by the both the second respondent as well as the third respondent is in view of this Court is contrary to each other. It is not the case of the second respondent that the petitioner case fall within the blackout period, whereas, the bank pleaded as if the petitioner case falls within the blackout period.

13. Be that as it may, it is not in dispute that TUFs scheme was introduced by the Government of India, Ministry of Textiles, wherein, the third respondent bank is also included as a Nodal Bank under the TUFs scheme for the cases financed by them. As per the Circular dated 05.09.2005, the nodal bank will determine the eligibility and release the TUFs benefit in respect of all the cases financed by them under TUFs including non-SSI, SSI and also cases covered under 15% CLCS-TUFs for SSI sector and 10% capital subsidy for specified processing machinery.

14. Subsequent circular dated 28.01.2009 indicate that the benefits under TUFs will not be extended to those units who have been sanctioned loan or after 01.04.2008 but lending agencies do not raise a claim for reimbursement/capital subsidy with the Office of the Textile Commissioner within one year of date of sanction of loan in the prescribed quarterly format I, II and III. If, the units which do not get adequate response from the lending agencies may appeal to the Office of the



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Textile Commissioner during 10th month after the sanction of the loan. The appeal has to be made through website <http://www.txcindia.com/appeal/appeal.asp>.

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15. It is relevant to note that the Circular though stipulate the timelimit, the third respondent appointed as Nodal Agency ought to have submitted the loan details within the period as mandated under the circular, however, they have not done so. Admittedly, the eligibility of the petitioner to claim the interest subsidy is not disputed. The letter issued by the third respondent bank dated 31.07.2010 also clearly indicate that the petitioner is entitled to be covered under 4% interest subsidy under the TUFS, however, the bank has not submitted the loan details as per the circular to the second respondent so to pay the interest subsidy to the petitioner, whereas, application has been submitted only in the year 2014.

16. It is relevant to note that the Bank is appointed as Nodal Agency. When the scheme is introduced by the Government and the third respondent bank is included as Nodal Agency, the bank, in fact, is an implied authority to act as agent of the Government. The relationship of the second respondent and third respondent is that of Principal-Agent relationship, whereas, the unfortunately, Bank has took a stand that since the disbursement of the first loan amount fall within the black out period, they have not submitted the claim and later, they submitted the claim, that too after four year. Such contention in view of this Court cannot be countenanced for the



simple reason that the bank has not disputed the eligibility of the petitioner to claim the subsidy under the scheme, in fact, they have also issued a letter, referred supra, immediately after the sanction of the loan. Therefore, once, the eligibility for grant of subsidy is acquired, the petitioner is entitled to avail the benefit, merely, because the Nodal Agency Bank/agent of the second respondent has committed a mistake and not submitted the loan details to the second respondent in time, as a matter of right, the right accrued to the petitioner cannot be taken away.

17. The very scheme itself was introduced to extend the interest reimbursement/capital subsidy to the units, therefore, once, the petitioner has become eligible for such interest subsidy, merely, because the Nodal Agency has not submitted the loan details in time, the petitioner cannot be denied its accrued right to claim the interest subsidy on the basis of the negligence committed by the Nodal Agency namely the third respondent bank. Therefore, once the eligibility clearance has not been disputed, negligent act of the bank in not submitting the claim within the period stipulated under the circular, referred supra cannot be taken advantage by the third respondent to deny the actual interest subsidy which is already accrued to the petitioner. The petitioner cannot be denied the benefit under the TUFSS scheme for no fault of the petitioner and the accrued right of the petitioner has been denied only because of the negligent act of the agent of the second respondent. Therefore, now different stand cannot be taken by the bank that there was black out period, whereas,



it is not the case of the second respondent that the petitioner case come within the blackout period.

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18. In *Pournami Oil Mills vs. State of Kerala* reported in AIR 1987 SC 590, the Hon'ble Supreme Court had an occasion to consider a case where a notification granting larger tax exemption was later on replaced by another notification granting lesser exemption. The Hon'ble Supreme Court held that all parties before it who in response to the earlier order set up their Industries prior to the date of the subsequent notification would be entitled to the exemption extended and/or promised under the earlier order.

19. In *Assistant Commissioner Commercial Taxes, Dharwar vs. Dharmendra Trading Company* reported in AIR 1988 SC 1247, the Hon'ble Supreme Court was dealing with a case in which an earlier order prescribing the procedure for obtaining sales-tax concession was subsequently amended to narrow down the scope of concession. Several persons claimed that they had started Industrial Units in the State on the assurance extended because of the concession granted under the earlier order. They filed writ petitions before the High Court of Karnataka claiming that the Industrial Undertaking started between 30th June, 1969 when the order dated 12-6-69 came into effect and before the order dated 12-1-1977 was issued, should not be deprived of the concession given to them by the former order as the said grant of concession constituted a bar of promissory estoppel against the Government on the basis of which they had acted by starting new Industries requiring investment of



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considerable funds and the Government was intending to go back on that promise as it had decided to discontinue the concessions by the order dated 12-1-1977. The Karnataka High Court upheld the contention and granted the writ. The matter thus went to the Supreme Court, which found that the view taken by the High Court was correct and the doctrine of promissory estoppel applied to the case.

20. Similarly, in *1992 (2) SCC 683 (Pine Chemicals vs. Assessing Authority)*, the Hon'ble Supreme Court held that a new Industry set up after the date of grant of exemption but before the date of its withdrawal is entitled to the benefit of exemption for the entire period even though the exemption was withdrawn before the expiry of that period if the principle of promissory estoppel is invocable in the circumstances of the case. It was further held that where representations were made by the Government to the entrepreneur that tax exemption and other incentives would be given to them if they set up Industry in the State and acting on the representations such entrepreneurs established Industries in the State, the principle of promissory estoppel would apply and accordingly such Industrialists would be entitled to the benefit of exemption for the entire period, as specified in the exemption order.

21. Similarly, in *AIR 1992 SC 152 (Manglore Chemicals and Fertilisers Ltd vs. Deputy Commissioner of Commercial Taxes)*, the Hon'ble Supreme Court has held that there can be no doubt that the doctrine of promissory estoppel is applicable against the Government in exercise of its Governmental or executive functions and



the doctrine of executive necessity or freedom of future executive action, cannot be invoked to deny the applicability of the doctrine of promissory estoppel.

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22. Though much emphasis has been made by the learned Additional Solicitor General that the scheme provided interest subsidy, is only a concession granted by the Government, as a matter of right, the petitioner cannot claim such concession. According to them, the circular itself clearly stipulate that to claim the benefit under the scheme, the loan details should have been submitted to the second respondent within the time period, as the bank being the Nodal Agency has not submitted the claim, the petitioner has not been extended with the benefits as a left out cases. He placed much reliance to the judgment of the Hon'ble Supreme Court in the case of *State of Uttar Pradesh and others vs. Principal, Abhay Nandan Inter College and others* reported in (2021) 15 SCC 600, wherein, the Hon'ble Apex Court has clearly held that a decision to grant aid to educational institution is a policy decision and while doing so Government is not only concerned with interest of institutions but also ability to undertake such exercise. Financial constraints and deficiencies are the factors which are considered relevant in taking any decision qua aid, including both the decision to grant aid and the manner of disbursement of an aid. Further, held that financial aid to the educational institutions is not a fundamental right.



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23. The above judgment deals with financial aid or grant to the educational institutions, therefore, the facts of the above cases cannot be applied to the instant case. In the instant case, the Government has introduced a scheme namely TUFSS scheme for providing 4% interest subsidy for the loans obtained by textiles mills. The petitioner has availed Rs.10 crores and paid the entire loan along with the interest. The petitioner had already become eligible and is entitled to get the interest subsidy from the respondents and the same cannot be denied merely on the basis of the some lapses on the part of the agent of the second respondent/third respondent. When the benefit is already accrued to the petitioner, merely on the basis of the time limit stipulated under the circular and the mistake committed by the bank/agent, the second respondent being the Principal and promised to provide such interest subsidy cannot shirk its responsibility and deny the right already accrued to the petitioner.

24. The very scheme introduced by the Government to provide a fresh lease of life and to strengthen the textile industry. Further, the scheme is also introduced taking note of the global disadvantages faced by the Indian textile industry in the field of power, transactional cost and additional cost borne by the industry due to poor infrastructure. Thus, the scheme was introduced to catalyse investments in all the sectors of textile by way of Reimbursement and Capital Subsidy on purchase of scheme eligible machineries. As the second respondent has assured such scheme and



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promised to provide interest subsidy to the petitioner unit cannot deny the right already accrued to the petitioner, since the eligibility of the petitioner is not in question.

25. Another contention of the learned counsel for the third respondent that the petitioner ought to have filed for recovery of money, such contention cannot be countenanced for the simple reason that when the promise made by the second respondent is not fulfilled and the petitioner also become eligible under the scheme, now, the parties cannot be directed to go to the Civil Court after several years.

26. In view of the foregoing reasons, the impugned order by the second respondent rejecting the petitioner's case under the TUFSS scheme stands quashed. The second respondent is hereby directed to release the 4% admitted interest subsidy and the same shall be paid to the petitioner within a period of two months from the date of receipt of a copy of this Order. However, considering the nature of the claim, the petitioner's claim for interest is rejected.

27. Accordingly, this writ petition stands partly allowed. No costs. Consequently, connected miscellaneous petitions stand closed.

05.01.2026



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Index

:Yes/No

Internet

:Yes

Speaking Order/Non Speaking Order

Neutral Citation : Yes/No

To

1. The Joint Secretary

The Union of India

Ministry of Textiles, New Delhi

2. Office of the Textile Commissioner

Ministry of Textiles, Government of India

Nishta Bhavan, New CGO Building, 48,

New Marine Lines, Mumbai – 400 020

3. Indian Overseas Bank (Nodal Bank)

Cathedral Branch (109), 762, Anna Salai

Chennai - 600 002, Tamil Nadu



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