(2009) 09 GAU CK 0009

In the Gauhati High Court

Case No : Writ Petition (C) No. 108 (SH) of 2004

E.N. Paslein APPELLANT

Vs

Union of India (UOI) and Others RESPONDENT

Date of Decision : 02-09-2009

Acts Referred:

Citation : (2009) 4 GLT 643

Hon'ble Judges : Hrishikesh Roy, J

Bench : Single Bench

Advocate : H.S. Thangkhiew, L. Khyriem, P. Nongbri and N. Mozika, for the Appellant; P. Dey, for the Respondent

Final Decision : Dismissed

Judgement

Hrishikesh Roy, J.—Heard Mr. H.S. Thangkhiew, learned Counsel appearing for the Petitioner. Also heard Mr. P. Dey, learned CGC representing the Respondent Nos. 1 to 4.

2. The Petitioner promoted a Food Processing Unit at Amlarem in Jaintia Hills District of Meghalaya and as per the schemes of the Ministry of Food Processing Industries, the Petitioner applied for financial assistance for setting up his Food Processing Industry. The Meghalaya Industrial Development Corporation (MIDC) recommended the application of the Petitioner for grants-in-aid vide its communication dated 21.02.2001.

3. However, since at the relevant time the 9th Plan Scheme was in force under which only soft loan assistance was admissible to the entrepreneurs in the private sector, the Ministry vide communication dated 7.10.2002 wrote to the Petitioner rejecting the request for financial assistance. In the said communication it was indicated that the project has already been implemented and the means of finance is fully tied up and that no financial assistance can be provided for repayment of loans or any reduction of promoters'' equity. However, it was left open to the entrepreneurs to make application in future for assistance

for expansion of the set up project, with fresh appraisal report.

4. Subsequently, the Petitioner once again applied for grants-in-aid assistance and once again the MIDC recommended the application of the Petitioner. But when the Ministry found that the grants-in-aid is sought for repayment of loan taken from, the NEDFI, the grants-in-aid was refused, leading to the filing of the present petition.

5. Mr. H.S. Thangkhiew, the learned Counsel for the Petitioner, submits that the Petitioner''s Food Processing Industry was set up in a remote area of the State with the expectation that the Industry can be made viable with financial grants from the Food Processing Ministry. The Petitioner was encouraged to set up the industry, only because the MIDC authorities had given assurance that there will be no difficulties in getting such financial assistance from the Central Ministry. But after the unit was set up, the Petitioner found that the grants-in-aid was not available for any entrepreneurs under the 9th Plan, and only soft loans were available. The Counsel further submits that subsequently the Petitioner got a second shock on learning that even grants-in-aid cannot be sanctioned, as he had already set up the industry and the money from the Ministry cannot be utilised to service loans taken by an entrepreneur. Mr. Thangkhiew, contends that the Ministry should be compelled to provide financial assistance to the Petitioner as the Petitioner''s industry was set up with the assurance of financial assistance to be provided by the Ministry.

6. Mr. P. Dey, on the other hand submits that there was no assurance by the Ministry to provide financial assistance under the 9th Plan and the grants-in-aid that was subsequently available was for setting up of new industries or expansion or old industries. The grants from the Ministry was not meant for repayment of loans taken by an entrepreneur for setting up a Food Processing Industry. Accordingly, it is submitted that there can be no direction for sanctioning of grants-in-aid to the Petitioner, as he was not eligible for such financial assistance.

7. From the submissions of the learned Counsel for the parties and also on perusal of the pleadings available, I do not find any where that the Ministry of Food Processing had made any promise for granting financial assistance under the 9th Plan. What the Petitioner has in his possession is a recommendation by the MIDC for financial grants. The said recommendation of the MIDC was initially rejected on 07.10.2002 by the Respondent Ministry on the ground that only soft loan was permitted to be given under the 9th Plan and since all funds of the Ministry were tied up, by the time the recommendation was received, even loan is not possible to be given to the Petitioner, as it was found that his industry was already set up, by the time the recommendation was made.

8. The second recommendation made for providing grants-in-aid was also rejected by the Ministry on the ground that grants-in-aid is available only for a new industry or an industry taking up fresh expansion.

9. It appears from the above communications of Ministry that the Petitioner''s unit was not eligible for the grants-in-aid. It is also seen that there was no promise made by the Ministry to provide such grants-in-aid to the Petitioner. Accordingly, I do not find any justification to entertain this writ petition and the same is ordered to be dismissed for lacking in legal merit. No cost.

