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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 4191/2025

HOTEL DOON CASTLE

.....Petitioner

Through: Mr. Alviah Ahmed and Mr. Aditya
Gupta, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Srivats Kaushal, SPC along with
Mr. Sanjay Pal, GP for UOI.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **03.04.2025**

1. The present petition has been filed by the petitioner, *inter alia*, seeking a direction for the respondents to consider the application bearing number IDS/UK/2060, filed by the petitioner under the Industrial Development Scheme for Himachal Pradesh and Uttarakhand 2017 ('IDS 2017') issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ('DIPP') vide notification dated 23.04.2018.

2. The said Scheme contemplates that the "Central Capital Investment Incentive for access to credit" at the rate of 30% of the investment in plant and machinery, shall be given to eligible new and existing industrial units subject to the maximum cap of Rs.5 Crore. Further, a "Central Comprehensive Insurance Incentive" is also to be granted under the said Scheme. The relevant clauses of IDS 2017 are reproduced as under –

"6.2 Central Capital Investment Incentive for access to credit



(CCIIAC)

6.2 (a) : All eligible new industrial units and existing industrial units on their substantial expansion in the manufacturing and service sector located anywhere in the States of H.P. and Uttarakhand will be provided Central Capital Investment Incentive for access to credit (CCIIAC) @ 30% of the investment in plant and machinery with an upper limit of Rs.5.00 crore.

6.2(b) : The project cost will need to be appraised by a Scheduled Commercial Bank or Financial Institution before the proposal of assistance is approved by the Empowered Committee of DIPP. Full assistance will be released on the basis of certificate issued by Competent Authority of the bank that the capex on the project report and sanction thereof is in place and Plant & Machinery has been put to use.

6.2(c) : The government does not commit itself to increase in the scale of assistance in case of cost escalation. In case the project is foreclosed or abandoned midway the entire assistance released by government will be refunded to DIPP.

6.3 Central Comprehensive Insurance Incentive (CCII)

6.3(a) : All eligible new industrial units and existing industrial units on their substantial expansion located anywhere in the states of H.P & Uttarakhand will be eligible for reimbursement of 100% insurance premium on insurance of building and Plant & Machinery for a maximum period of 5 years from the date of commencement of commercial production/ operation.

6.3(b) : For the purpose of insurance incentive, 'industrial unit' shall mean any industry which is included in Fire Policy 'C' as per All India Fire Tariffs. The policy shall be issued by the Insurance Company on



market valuation to be declared by the proposer.”

3. The Scheme further contemplates that all eligible units will have to seek registration with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry through the DIPP Portal prior to being eligible for any benefit under the Scheme.
4. Further, in terms of the scheme, the final grant of registration/in-principle approval is to be decided by an Empowered Committee, chaired by Secretary, Department of Industrial Policy and Promotion with Secretaries of Department of Expenditure, Representative of NITI Aayog and Secretary of the concerned Ministries/Departments of Government of India dealing with the subject matter of that industry as also the concerned Chief Secretary/Secretary (Industry) of the State where the beneficiary unit is located.
5. It is the case of the petitioner that it submitted the application for registration under the Scheme through the online portal on 24.03.2022.
6. However, the petitioner's case was not considered for registration under the Scheme. It is not even clear whether the petitioner's application was even put up before the concerned Committee in terms of relevant provisions of the Scheme.
7. It is submitted that while not considering the legitimate request of the petitioner for registration under the Scheme, the respondents are stated to have issued a circular on 09.11.2023 seeking to confine the benefits of Scheme to only 774 units which had already been registered.
8. It is apprehended by the petitioner that the respondents have followed a policy of pick and choose for the purpose of granting registration under



the Scheme.

9. It is also apprehended that some of the registered units submitted their application, later in point of time vis-à-vis the petitioner. It is further submitted that under the Scheme itself, Micro, Small and Medium Enterprises (MSME) units [such as the petitioner] were required to be accorded preference.

10. In the aforesaid conspectus, the matter requires consideration.

11. Issue notice.

12. Learned counsel, as aforesaid, accepts notice on behalf of the respondent no.1.

13. Issue notice to the remaining respondents, through all permissible modes, including electronically.

14. Let counter-affidavit be filed by the respondents within a period of four weeks from today. Rejoinder thereto, if any, be filed within a period of two weeks thereafter.

15. In the counter-affidavit to be filed by the respondent no.1, it shall be specifically stated as to whether (i) whether the petitioner's application was duly considered by the concerned committee; (ii) whether the applications for registration in respect of 774 units were considered/ placed before the concerned committee in the order in which the said applications had been received and/ or the basis on which the said 774 units have been selected for the purpose of registration, to the exclusion of the petitioner.

16. List on 23.07.2025.

SACHIN DATTA, J

APRIL 3, 2025/r