



WMP No. 56732 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29-12-2025

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THE HONOURABLE MR.JUSTICE V. LAKSHMINARAYANAN

WMP No. 56732 of 2025

IN

WP NO. 50661 OF 2025

Prince Poly Profiles
Rep By Its Managing Partner
P.Sekar
No.2/87 J, Karattukadu, Nachipatti, Vennandur,
Rasipuram, Namakkal District.

Petitioner(s)

Vs

1.The Tamilnadu Industrial Investment Corporation Limited.
Rep By Its Branch Manager Sri Lakshmi Complex (1st Floor)
4/22, Omalur Main Road,
Swarnapuri,
Salem- 636 004.

2.The Tamilnadu Industrial Investment Corporation Limited,
No.692, Anna Salai, Nandanam,
Chennai – 600 035.

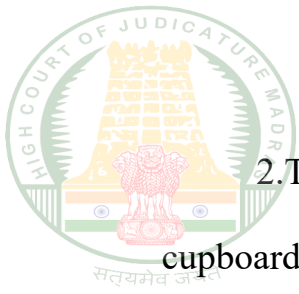
Respondent(s)

For Petitioner(s): Mr.K.K.SenthilVelavan,
Senior Counsel
for M/s. R. Jeevitha

For Respondent(s): Mr.M.Mohammed Sulaiman Basha

ORDER

Mr.M.Mohammed Sulaiman Basha takes notice for the respondents.



2.The case of the petitioner that, it is a manufacturer of PVC doors, PVC cupboard materials, PVC wall panels, ceiling panels, PVC pipes, etc,. It is a running unit established in the year 2011. The commercial production commenced sometime in 2019. The petitioner claims that it is a Micro Small and Medium Enterprises (MSME) unit.

3.Originally, when the respondents had its office in Namakkal, the officials of the respondents informed the petitioner, that the petitioner would be entitled to capital subsidy of Rs.100 lakhs and subsidy bridge loan of Rs.30 lakhs. These amounts were in addition to the working capital that the petitioner had availed from Karur Vysya Bank and term loan from State Bank of India.

4.The petitioner states that it was granted Rs.30 lakhs of subsidy bridge loan, but the amount of Rs.100 lakhs towards the capital subsidy was not issued. The petitioner made several demands on the respondents to make the payment. Yet, it was not issued. Hence, the petitioner moved this Court by way of a mandamus in W.P.No.33234 of 2024. After hearing both sides, this Court passed an order on 14.11.2024, directing the respondents to consider the sanction of capital subsidy amount to the petitioner.

5.The petitioner states it co-operated with the respondents towards issuance of the loans. While keeping the said application pending, two notices



were issued on 09.12.2025 and 22.12.2025, calling upon the petitioner to pay the entire amount of Rs.28.66 lakhs within seven (7) days. In default, the petitioner was informed that the unit will be taken possession of, invoking Section 29 of the State Financial Corporation Act.

6.Mr.K.K.SenthilVelavan, Senior Counsel states that the amount towards the Banks have been satisfied and the interest that the petitioner is liable to pay to the respondents have also been serviced regularly. He pleads that the petitioner was anxiously awaiting the disbursement of the capital subsidy loan, instead, it has been visited with the impugned possession notice. He states that, if the amount of capital subsidy had been released, the petitioner would have settled the bridge loan immediately and would have serviced the remaining amount in a proper manner.

7.Per contra, Mr.M.Mohammed Sulaiman Basha, who stoutly opposes the writ petition, has produced a letter dated 05.11.2025, issued by the respondents. He states that the petitioner in violation of the guidelines issued by the Government of Tamil Nadu, with respect to disbursement of capital subsidy loans to MSME units, had leased out its premises, without prior authorisation from the respondents, to a third party. As the guidelines have been violated, the respondents have decided to reject the request of the petitioner for sanction of capital subsidy. He states that the petitioner had been declared as a '*non-*

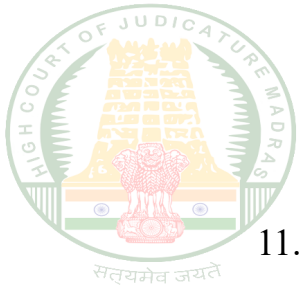


performing assets' months ago. He adds that the petitioner has, despite several opportunities, not come forward and paid any amounts, though the entire loan was re-called. He pleads the petitioner does not deserve any sympathy and the writ petition deserves dismissal.

8.I have heard the submissions of both sides and I have gone through the records in detail.

9.Whether the petitioner is entitled for capital subsidy is a separate issue which need not be gone into for the present. The point remains that the petitioner was given a bridge loan of Rs.30 lakhs. Out of the said amount, a sum of Rs.28.66 lakhs is still outstanding. The petitioner is also alleged to have put a third party in possession of the property. A creditor need not wait *ad infinitum* for the debtor to come and pay the amount.

10.Nonetheless, one factor I have to taken into consideration is that the petitioner is a running unit. In case, possession of the unit is taken under the impugned proceedings, then not only will the running business come to a grinding halt, but the petitioner will also open itself for damages at the hands of the persons who have entered into contracts with it. Being a business entity, breathing time and an opportunity must be given to the petitioner to make good its plea that it will make the payments.



11.Hence, I am of the view that an interim order can be granted imposing a condition that the petitioner pays 1/3rd of the dues within three (3) weeks from today. In case, the amount is not paid, the respondents are at liberty to take possession of the unit.

12.Mr.M.Mohammed Sulaiman Basha is requested to inform the contents of the order to the respondents. They shall defer the proceedings under the impugned order by a period of three (3) weeks awaiting payment from the petitioner.

13.Post this case immediately after admission on **21.01.2026**.

29-12-2025
(2/2)

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To

1.The Tamilnadu Industrial Investment Corporation Limited.
Rep By Its Branch Manager Sri Lakshmi Complex (1st Floor)
4/22, Omalur Main Road, Swarnapuri, Salem- 636 004.

2.The Tamilnadu Industrial Investment Corporation Limited
No.692, Anna Salai, Nandanam, Chennai-35.



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V.LAKSHMINARAYANAN J.

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