

IFGL Refractories Ltd. v. Orissa State Financial Corporation & Ors.

Civil Appeal No. 66 of 2026 / Special Leave Petition (Civil) No. 7013 of 2019

2026 INSC 18 | 2026-01-06

Whether the Magneco Metrel Plant was a new industrial unit under the Industrial Policy of Orissa, 1989, rather than expansion of an existing unit; whether subsidies already received by Indo Flogates and IFGL exhausted an overall ceiling barring the MM Plant's sanctioned capital-investment and DG-set subsidies; and whether the authorities were also bound by their promises and sanction communications. Section 80-I-derived tests were used by analogy in the first inquiry; no income-tax deduction or tax-liability issue was before the Court.

80-I

Two-judge bench | J.B. Pardiwala, J. | R. Mahadevan, J.

Assessment years: See the source-scope notes; no year inferred.

Subsidy-policy decision: tax-law tests applied by analogy

IFGL applies section 80-I-derived new-undertaking tests to the Odisha industrial subsidy policy. It does not decide any income-tax deduction, taxability of the subsidy or tax liability. The sanctioned-payment direction and interest are policy relief, not a tax refund.

01 FACTS OF THE CASE

IFGL appealed from the Orissa High Court's judgment of 7 December 2018 in W.P. (C) No. 17398 of 2008, which upheld refusal to disburse capital-investment and diesel-generator-set subsidies sanctioned for the Magneco Metrel Plant (MM Plant). Indo Flogates had established the plant; its subsidy rights passed to IFGL under the amalgamation sanctioned on 3 August 2000 with effect from 1 April 1999. The respondents were OSFC, the Director of Industries, IPICOL and the State Level Committee's sub-committee, performing disbursement, processing, facilitation and sanctioning functions (paragraphs 2-7 and 19).

The 1989 policy, effective from 1 December 1989, distinguished new industrial units from expansion, modernisation or diversification of existing units. Clause 2.7 tied new-unit status to fixed capital investment on or after the effective date. For Zone C, clause 5.1 provided capital subsidy at 10% of fixed capital investment, capped at Rs. 10 lakh; clause 11.4.4 provided the separate qualifying DG-set/captive-power subsidy at 15% of cost, capped at Rs. 5 lakh. Clause 4.1 made new units eligible for the policy's incentives subject to its conditions, while clause 4.4 restricted the concerned incentive for existing-unit expansion/modernisation/diversification to one occasion (paragraphs 8-12).

The Court's applied findings record first fixed capital investment for the MM Plant on 1 February 1992 and commercial production from 21 November 1992. The plant manufactured stool inserts, stool coatings and basic gunning mix, with a separate industrial licence, electricity connection and premises. Indo Flogates applied for the DG subsidy in August 1993 and the capital subsidy on 29 September 1993. On 5 November 1998 the authorities recognised the plant as a separate new industrial unit. Delay in submitting the applications was subsequently condoned. OSFC communicated sanction of Rs. 1,14,750 for the DG set on 10 April 2003 and Rs. 10 lakh for capital investment on 19 April 2003 (paragraphs 13-25 and 75-76). Source date variants are identified in the quality flags; they are not silently harmonised.

Following amalgamation, IFGL repeatedly sought payment and had informed the authorities about the amalgamation before sanction. In 2007 the authorities again acknowledged the sanctioned subsidies and the plant's continuing production. Nevertheless, the rejection letter of 4 October 2008 stated that Indo Flogates and IFGL had already availed their overall subsidy limits. The defence invoked an instruction of 28 October 1994 and earlier subsidies of Rs. 15 lakh and Rs. 20 lakh, and also alleged non-disclosure of amalgamation. A notification of 30 October 2008 inserted the overall-limit wording in clause 4.4 with stated retrospective effect (paragraphs 26-34 and 86-90).

The High Court accepted the view that the benefit could be granted only once to the company. IFGL argued that the MM Plant was a distinct new unit, that the old-unit restriction did not apply, and that recognition, sanction and later assurances bound the authorities. The respondents characterised the plant as expansion and relied on past subsidy limits and alleged non-disclosure. The Supreme Court identified new-unit status, the overall-limit objection and promissory estoppel as the three issues (paragraphs 35-49).

01 FACTS OF THE CASE

Source: [official signed judgment / paragraphs 2-12 / PDF pages 3, 4, 5, 6, 7, 8, 9, 10 / judgment](#); [official signed judgment / paragraphs 13-25 / PDF pages 11, 12, 13, 14, 15, 16 / judgment](#); [official signed judgment / paragraphs 26-36 / PDF pages 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 / judgment](#); [official signed judgment / paragraphs 37-49 / PDF pages 25, 26, 27, 28, 29, 30, 31, 32, 33 / judgment](#); [official signed judgment / paragraphs 75-76 / PDF pages 61, 62, 63 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The policy's unit-based inquiry came first. An industrial unit was an industrial undertaking within clause 2.5 and Annexure 1, and the MM Plant's manufacturing activities qualified. Under clauses 2.1, 2.3 and 2.7, fixed capital meant land, buildings, plant, machinery and other permanent equipment, and the relevant investment date was on or after 1 December 1989. But the Court did not end the inquiry with timing alone: it also asked whether the undertaking was genuinely new or merely an existing unit's expansion presented as new (paragraphs 51-53 and 73).

To answer that question, the Court surveyed the new-undertaking cases. Textile Machinery, (1977) 2 SCC 368, concerned section 15C of the Income-tax Act, 1922. As described and quoted here, it required substantial fresh capital and a new, identifiable undertaking with distinct physical and commercial existence. Merely expanding the owner's overall business did not defeat relief. Production of the same commodities, or products consumed by the old business, was not by itself decisive; a separately viable, integrated production unit could remain new (paragraphs 54-59).

Indian Aluminium, including the Calcutta High Court decision and its Supreme Court affirmation, emphasised a fact-sensitive distinction between genuine new productive capacity and remodelling or reconstituting an existing business. Bajaj Tempo, (1992) 3 SCC 78, supplied the industrial-development purpose and the distinction between formation by transfer of old assets and their mere use. Orient Paper similarly illustrated why a separately established caustic-soda plant need not lose new-undertaking status merely because its output fed the owner's paper business. These are the predecessor section 15C authorities as discussed in IFGL, rather than separate adjudications of IFGL's tax entitlement (paragraphs 60-68).

The specific 1961 Act connection is Gujarat Alkalies and Chemical Ltd. v. CIT, 2012 SCC OnLine Guj 1628. Paragraph 69 identifies section 80-I and describes it as *pari materia* to section 15C. Paragraph 70 recounts the High Court's rejection of an automatic disqualification based on some dependence upon the existing undertaking: fresh plant and machinery, substantial investment, identifiable new production and the technology of the process mattered. The quoted reasoning retained the requirement that the new undertaking not be substantially the same old business. Limited assistance from the old unit was not itself a conclusive adverse test. This discussion is not a ruling that every investment or increase in capacity qualifies, or that the statutory conditions of section 80-I can be ignored (paragraphs 69-70).

The Court also recounted *Sociedade de Fomento*, 2022 SCC OnLine SC 623, and its restatement of separate identity, integrated viability, fresh capital, new machinery and permissible same-product or captive production. The quoted list includes a 20% old-asset-transfer threshold, but IFGL neither specifies a numbered tax provision for that earlier case nor performs a 20% calculation for the MM Plant. That numerical item must not be converted into an independently enacted Odisha-policy rule or a universal current

02 DISCUSSION BY THE HON'BLE COURT

deduction test (paragraph 71).

Paragraphs 72-74 make the cross-law step explicit. The tests had been used in income-tax and other fiscal-incentive settings; section 15C and section 80-I pursued industrial development through fresh capital and new undertakings, an objective shared by the 1989 policy. The Court therefore regarded the tests as relevant for consideration and application beyond clause 2.7's timing requirement. This is express analogical adoption in a subsidy dispute. It is not statutory incorporation of the Income-tax Act into the policy and does not award IFGL an income-tax exemption or deduction.

On the evidence, the MM Plant met that more demanding inquiry. Its first fixed-capital investment and commencement of production were after the policy's effective date. It had a new independent licence, separate electricity supply and fresh investment in land, sheds, plant and machinery. Paragraph 76 records aggregate investment of Rs. 1,42,02,000 and premises in sheds 19 and 22, distinct from the old unit's sheds 7 and 8. The project had been separately appraised and financed by IDBI. The Court found that it could continue as a viable undertaking even if the old Indo Flogates unit ceased, and its refractory products were distinct from the old unit's slide gates and slide-gate valves. Even hypothetical use of its products in the old business would not destroy its separate character (paragraphs 75-77).

The Court contrasted the policy definition of expansion: additional investment exceeding 25% of the undepreciated fixed-capital value of the existing unit, acquisition of fixed capital for expanding that unit's production, and an increase over its installed capacity. The respondents had not explained how those requirements were satisfied or given cogent reasons for reclassifying the MM Plant. Their earlier recognition of it as a new unit had followed examination, and they could not excuse an unreasoned reversal by saying they had simply accepted an application form. The claim of concealed amalgamation also failed on the correspondence predating sanction; in any event the amalgamation order transferred the subsidy rights to IFGL, and the qualifying unit's entitlement did not disappear merely because ownership changed (paragraphs 78-85).

The overall-limit objection was a different issue from whether the plant was new. The applications predated the 28 October 1994 instruction. More importantly, the instruction and the 30 October 2008 amendment addressed additional subsidy for an existing eligible unit undergoing expansion, modernisation or diversification. A genuinely new unit received a fresh incentive. The Court read the wording and the amendment's heading in that context and rejected aggregation of the companies' earlier subsidies as a bar to the MM Plant's claim. It did not abolish monetary ceilings: paragraph 135(iii) expressly preserves the unit-wise caps in clauses 5.1 and 11.4.4. Nor did it generally invalidate retrospective policy changes; it held this aggregate restriction inapplicable to the new unit (paragraphs 86-91 and 135(iii)).

Although those two conclusions were sufficient to resolve the appeal, the Court also decided the promissory-estoppel issue. Its extended comparative discussion distinguishes

02 DISCUSSION BY THE HON'BLE COURT

promise-based estoppel from the broader public-law concern with legitimate expectation, fairness and non-arbitrariness. It recalls Indian authority permitting promissory estoppel to found relief where a clear assurance has been acted upon and retreat would be inequitable, without requiring a formal contract or separate proof of financial detriment beyond the relevant alteration of position. At the same time, the discussion recognises that equity cannot contradict statute and that legitimate expectation alone is not an unconditional enforceable entitlement overriding lawful public-interest considerations. Article 14 supplies the public-law restraint on arbitrary State action (paragraphs 92-117).

Pawan Alloys, Lotus Hotels and Tata Metals supplied examples involving electricity concessions, a statutory corporation's loan promise and state sales-tax incentives. Camma Textile and Prachi Engineering supplied Odisha industrial-policy examples. They are relied on for governmental commitments and reliance, not for an Income-tax Act liability rule. The Court agreed with the Odisha authorities' reasoning in applying it to IFGL's facts; embedded orders in those quotations are not additional operative orders in this appeal (paragraphs 118-129 and 132).

The operative application rests on both the original policy inducement and the later official course of dealing. Indo Flogates invested and commenced production in 1992 relying on the policy; recognition in 1998, sanctions in 2003 and renewed acknowledgements in 2007 reinforced the commitment while operations and expenditure continued. The judgment should not be read as saying that 2003 letters chronologically caused the initial 1992 investment. On the record, the Court held that the promises were unequivocal, reliance was real, and the authorities could not refuse the sanctioned amounts. It criticised the protracted administrative delay and reiterated the duty of fair, transparent, non-arbitrary action under Article 14 (paragraphs 130-135(iv)).

Source: [official signed judgment / paragraphs 51-53; 73 / PDF pages 34, 35, 60 / judgment](#); [official signed judgment / paragraphs 54-59 / PDF pages 35, 36, 37, 38, 39, 40, 41, 42 / judgment](#); [official signed judgment / paragraphs 60-68 / PDF pages 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53 / judgment](#); [official signed judgment / paragraphs 69-70 / PDF pages 53, 54, 55, 56, 57, 58 / judgment](#); [official signed judgment / paragraphs 71 / PDF pages 58, 59 / judgment](#); [official signed judgment / paragraphs 72-74 / PDF pages 59, 60, 61 / judgment](#); [official signed judgment / paragraphs 75-80 / PDF pages 61, 62, 63, 64, 65, 66 / judgment](#); [official signed judgment / paragraphs 81-85 / PDF pages 66, 67, 68, 69, 70 / judgment](#); [official signed judgment / paragraphs 86-91; 135\(iii\) / PDF pages 71, 72, 73, 74, 75, 76, 122 / judgment](#); [official signed judgment / paragraphs 92-113 / PDF pages 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94 / judgment](#); [official signed judgment / paragraphs 114-117 / PDF pages 94, 95, 96, 97, 98, 99 / judgment](#); [official signed judgment / paragraphs 118-129 / PDF pages 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117 / judgment](#); [official signed judgment / paragraphs 130-135\(iv\) / PDF pages 118, 119, 120, 121, 122, 123 / judgment](#)

03 JUDICIAL DECISION

The appeal was allowed and the Orissa High Court's judgment and order of 7 December 2018 was set aside. The MM Plant was held to be a new industrial unit under clause 2.7 and a physically and functionally distinct undertaking satisfying the judicial tests discussed, rather than expansion/modernisation/diversification under clause 2.2. The overall prior-policy subsidy restriction in amended clause 4.4 did not bar its fresh subsidies, although the applicable unit-wise caps remained. The authorities were also held bound to disburse the sanctioned subsidies on the promises and reliance established (paragraphs 135-136).

Paragraph 137 directs the respondents to disburse Rs. 11,14,750 to IFGL for the MM Plant's capital-investment and DG-set subsidies, with interest at 9% per annum from the date of sanction of the respective subsidies, within three months from the judgment. The principal comprises Rs. 10 lakh capital subsidy and Rs. 1,14,750 DG-set subsidy. The order's sanction-date formulation is preserved; no independent interest calculation or substituted single commencement date is supplied. Pending applications were disposed of (paragraph 138). There is no separate costs direction in the operative order and no income-tax deduction, assessment, penalty or refund was decided.

Source: [official signed judgment / paragraphs 135-138 / PDF pages 121, 122, 123 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Appellant IFGL on the industrial-policy subsidy claim; not an assessee-versus-Revenue tax result

Appeal allowed; High Court judgment set aside; sanctioned subsidies of Rs. 11,14,750 with 9% per annum interest from the respective sanction dates directed to be disbursed within three months of 6 January 2026; pending applications disposed of

New-industrial-unit status, subsidy-ceiling objection and estoppel decided on merits; no direct 1961 Act tax-liability adjudication

Section 80-I-derived tests are adopted and applied by analogy to the 1989 Odisha policy. No present-law certification, automatic subsidy entitlement under another policy, general elimination of unit-wise caps or finding that the directed payment has since occurred.

Source: [official signed judgment / paragraphs 135-138 / PDF pages 121, 122, 123 / judgment](#)

05 AKHB REVIEW POINT

Use this decision as a qualified cross-law authority: the Supreme Court expressly deploys section 80-I-derived new-undertaking tests when construing an industrial subsidy policy. It is useful on the distinction between a new unit and expansion, but is not a direct section 80-I allowance or a ruling about whether the subsidy itself is taxable. For a tax claim, independently establish the applicable year's statutory conditions, the operative provision and later treatment; do not substitute IFGL's policy analysis for them.

Build the evidential record around the unit: investment dates and amounts, source and transfer of machinery, separate location, licence, power connection, production process, identifiable outputs, financial appraisal and practical viability. Distinguish permissible commercial links or captive consumption from reconstruction of the old business. The 25% expansion threshold belongs to clause 2.2 of this policy; the 20% item appears in a quoted tax precedent. They are not interchangeable or universal tests.

For an incentive claim, read the policy's new-unit definition, timing rules, sanction powers, aggregate restrictions and unit-wise caps together. Preserve the application, recognition, sanction and inspection documents, amalgamation order and correspondence establishing the authorities' knowledge. Distinguish reliance on the policy before investment from continued expenditure after later assurances. Estoppel is not a licence to disregard statute or demonstrated overriding public interest.

For enforcement, consult paragraph 137 and the actual sanction records before computing interest. The judgment narrates a committee decision on 20 February 2003 and communications on 10 and 19 April 2003, while a reproduced follow-up letter refers to 15 April 2003. The operative direction uses the respective sanction dates without fixing calendar dates in the decree. Neither payment compliance nor a later clarification is verified here. Source chronology variants and quoted precedents should be checked before using them independently. No automatic mapping to the Income-tax Act, 2005 or certification of current subsidy policy is made.

Source: [official signed judgment / paragraphs 69-80 / PDF pages 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66 / judgment](#); [official signed judgment / paragraphs 84; 87-91; 130-135 / PDF pages 69, 70, 71, 72, 73, 74, 75, 76, 118, 119, 120, 121, 122, 123 / judgment](#); [official signed judgment / paragraphs 24-26; 31-32; 87\(i\); 131; 137 / PDF pages 15, 16, 17, 20, 21, 22, 72, 118, 119, 123 / judgment](#)

DETAILED DISPOSITION AND CONNECTED GROUPS

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 135(i)-(iv); 136-138

Pdf pages: 121; 122; 123

Source role: judgment

Claim: Conclusions, final relief, principal, interest and three-month direction

PROVISION-SPECIFIC SCOPE

1.

Act: Income-tax Act, 1961

Section: 80-I

Role: analogical adoption and application of new undertaking tests in subsidy dispute

Basis: Paragraphs 69-70 discuss Gujarat Alkalies under section 80-I; paragraphs 73-74 expressly adopt the tax-law tests for the industrial-policy inquiry; paragraphs 75-80 and 135(i)-(ii) apply those tests to the MM Plant. No section 80-I deduction, tax liability or incorporation of that provision into the policy is adjudicated.

Source url: [Open cited source](#)

2.

Act: Income-tax Act, 1922

Section: 15C, including 15C(2)(i)

Role: predecessor tax precedent and analogical test source

Basis: Paragraphs 54-68 discuss Textile Machinery, Indian Aluminium, Bajaj Tempo and Orient Paper; paragraph 74 explains the shared industrial-development purpose. These are 1922 Act references, not additional 1961 Act sections.

Source url: [Open cited source](#)

3.

Act: Industrial Policy of Orissa, 1989

Section: Clauses 2.1, 2.3, 2.5, 2.7 and Annexure 1

Role: operative policy definitions

Basis: Effective date, fixed capital investment, industrial unit and new industrial unit; construed in paragraphs 51-53 and applied in paragraphs 73-80 and 135(i)-(ii).

Source url: [Open cited source](#)

4.

Act: Industrial Policy of Orissa, 1989

Section: Clauses 2.2 and 4.4; instruction dated 28 October 1994; amendment notification dated 30 October 2008

Role: operative expansion classification and subsidy ceiling

Basis: Expansion/modernisation/diversification and the overall-limit restriction; paragraphs 79-80, 86-91 and 135(iii) confine the aggregate prior-policy restriction to existing-unit expansion/modernisation/diversification, rather than a genuinely new unit.

Source url: [Open cited source](#)

5.

Act: Industrial Policy of Orissa, 1989

Section: Clauses 3, 4.1, 5.1 and 11.4.4

Role: operative eligibility and unit wise monetary caps

Basis: Zone C capital subsidy at 10% of fixed capital investment up to Rs. 10 lakh; qualifying new DG sets/captive power plants at 15% of cost up to Rs. 5 lakh, additional to ordinary capital subsidy. The monetary caps remain applicable to a new unit; paragraphs 9-11, 78 and 135(iii).

Source url: [Open cited source](#)

6.

Act: Industrial Policy of Orissa, 1989

Section: Clause 20.1

Role: operational guidelines and reasoned merits consideration

Basis: Guidelines/instructions power and merits-based consideration are addressed in paragraphs 80 and 86-88; the later instruction did not exist when the applications were made.

Source url: [Open cited source](#)

7.

Act: Orissa Capital Investment Subsidy Rules, 1989

Section: Clause 6

Role: administrative sanctioning context

Basis: Paragraph 7 identifies the State Level Committee's eligibility, quantum and delegation functions; no distinct income-tax power is involved.

Source url: [Open cited source](#)

8.

Act: Constitution of India

Section: Article 14

Role: applied public law fairness and non arbitrariness

Basis: Paragraphs 110-113 and 134 connect legitimate expectation with non-arbitrariness in State action.

Source url: [Open cited source](#)

9.

Act: Constitution of India

Section: Articles 12 and 226

Role: quoted promissory estoppel precedent context

Basis: Paragraph 120 discusses Lotus Hotels concerning a statutory corporation and mandamus. These references are not separate tax jurisdiction holdings.

Source url: [Open cited source](#)

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

J.B. Pardiwala, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

CONSTITUTIONAL PROVISIONS CONSIDERED

12; 14; 226

SCOPE OF THE TAX-LAW ANALOGY

Classification: analogical tax test application in subsidy policy dispute

Direct 1961 tax liability holding: False

Statutory incorporation identified: False

Publication scope: Qualified inclusion because the Court expressly adopts and applies section 80-I-derived new-industrial-understanding tests, not merely because it cites income-tax authorities. The operative holding and monetary relief concern Odisha industrial-policy subsidies.

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(official signed judgment\)](#)

Identified source rendition: 123 PDF pages; SHA-256 353a27f4278f6d12b13d963cf68bc557471d994438b40d1c6dfe16e684c2eb29. Original bytes preserved. Cover on physical page 1; author and contents index on page 2; numbered paragraphs 1-138 on physical pages 3-123. Physical pages 2-123 correspond to printed pages 1-122. One opinion signed by both judges; no separate concurrence, dissent, adjacent case or additional disposition. Embedded precedent extracts are quotations, not separate judgments in the source.

[Open cited source rendition](#)

This is a subsidy-policy judgment with express analogical adoption/application of section 80-I tests, not an income-tax assessment or deduction appeal. The 1961 Act link must remain visibly qualified in headings, filters and summaries.

Physical PDF pagination governs all pins. Page 1 is the cover, page 2 the author/index, and paragraphs 1-138 occupy pages 3-123. Printed pagination is one less than physical pagination after the cover. One joint decision only; quoted precedent dispositions do not enlarge the operative order.

The official cover identifies Civil Appeal No. 66 of 2026 arising from SLP (C) No. 7013 of 2019. The repeated footer's Special Civil Petition label is not treated as a different proceeding.

Paragraph 13 initially refers to purported establishment on 18 May 1989, but the actual applied findings in paragraphs 75, 87 and 130 use first fixed capital investment on 1 February 1992 and commercial production on 21 November 1992. Paragraph 21 recounts correspondence mentioning 22 November 1992. The note follows the applied findings and discloses these source variants without silently repairing the original.

The DG-set application date is 23 August 1993 in paragraphs 14, 48 and 88, but 28 August 1993 in paragraphs 87(d) and 130. The note therefore says August 1993. This discrepancy does not change the Court's comparison with the later 28 October 1994 instruction.

Sanction communications are dated 10 and 19 April 2003 in paragraphs 24-25, 87(i) and 131; their quoted text refers to a committee decision on 20 February 2003. Paragraph 26's reproduced follow-up letter instead refers to a DG sanction letter of 15 April 2003. Paragraph 137 uses the respective sanction dates without calendar-date specification; an interest calculation requires the underlying sanction records or an authoritative clarification.

Paragraph 32 and its rejection-letter extract contain Rs. 1,14,740 for the DG component, whereas the sanction discussion and final total support Rs. 1,14,750. The final operative principal is Rs. 11,14,750. The component typo is not used to reduce the decreed amount.

Section 15C is a 1922 Act provision. Paragraph 74's description of later section 80-I supplies the analogy, not a comprehensive legislative succession or present statutory crosswalk. No extra 1961 Act section is inferred from Sociedade de Fomento or a cited reporter reference.

Paragraph 71 calls Textile Machinery Textile Merchants while purporting to restate the earlier tests. Its quoted 20% item is not a separately applied Odisha-policy threshold. Neither that item nor clause 2.2's distinct 25% expansion requirement is represented as a universal new-unit test.

Paragraph 129 and its Prachi Engineering quotation call 1 December 1989 to 30 November 1993 a five-year period. That internally inconsistent phrasing belongs to the cited precedent discussion and is not used to certify the policy's full duration or alter IFGL's 1992 investment finding.

The concluding reliance language is read with paragraphs 130-132: original investment and production preceded the later recognition and sanction letters. Policy inducement and continued operations following subsequent assurances are kept chronologically distinct.

The Court expressly found the new-unit and ceiling conclusions sufficient before additionally deciding estoppel in paragraph 92. The additional estoppel reasoning is included without recasting it as an Income-tax Act override or an unconditional restraint on lawful public-interest changes.

The Rs. 5 lakh DG subsidy figure is the policy maximum, not the amount awarded for this DG set. The ruling preserves unit-wise caps and does not declare all incentives unlimited.

Earlier decisions, statutes, policies and correspondence are analysed as reproduced and applied in this judgment; their complete originals were not independently reviewed for this note. The source contains additional citation, agency-description and typographical irregularities that are not used to infer separate holdings. Subsequent treatment and compliance remain unverified.

Neutral citation verified on the official cover. The preserved source is a 123-page official judgment; the SCR-style asset identifier is not used to infer printed reporter pagination or a separate reported citation.

No IFGL income-tax assessment year is in issue. Assessment years and tax proceedings recounted in the cited precedents are not assessments or proceedings of IFGL in this appeal.

Civil appeal arising from the listed special leave petition, as stated on the official cover; leave granted in paragraph 1. The source footer calls the proceeding Special Civil Petition (C), which is not adopted as the case-number classification. The appealed High Court proceeding was W.P. (C) No. 17398 of 2008.

STATUTORY SCOPE

The 1989 Odisha industrial policy and its instruction/amendment as reproduced and applied in this judgment; section 80-I and predecessor section 15C only through the judgment's express precedent discussion and analogical application. No independent consolidated historical-statute or policy-text audit.

No automatic mapping to the Income-tax Act, 2025; no certification of present deduction conditions, current Odisha policy, subsidy-payment compliance or subsequent judicial treatment.

LATER TREATMENT

Source checked 2026-10-04. Subsequent review proceedings, clarifications, stays, implementation and later judicial treatment have not been comprehensively checked. This is not a citator or current-law certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - Physical PDF page 1 for title, civil appeal, SLP and neutral citation; page 2 for author; pages 121-123 for conclusions; page 123 for operative order, signatures and date. - PDF pages: 123](#)

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