IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C). No. 25632 of 2023
&
W.P.(C). No. 29123 of 2023

(An Application under Articles 226 & 227 of the Constitution of India)

W.P.(C). No. 25632 2023
Rajendra Biswal & Ors ..... Petitioners

-Versus-

State of Odisha and Others .... Opposite Parties

W.P.(C). No. 29123 of 2023

Surendra Sethi & Others ..... Petitioners

-Versus-

State of Odisha & Others ..... Opposite Parties
Advocate(s) appeared in this case:-

For Petitioner : Mr. A.Bhoi, Advocate for Petitioner

For Opp. Party : Mr. P.K.Parhi, DSGI

Mr. S.N.Pattnaik,
Additional Government Advocate for the State
Mr. S.K. Dalai, Advocate for
Sarpanch, Gopinathpur G.P.

CORAM:

JUSTICE SASHIKANTA MISHRA

JUDGMENT
24rd OCTOBER, 2025

SASHIKANTA MISHRA, J.

Both the writ applications involve common questions of fact and law and being heard together are disposed of by this common judgment.

2. The Government of India floated a scheme called Pradhan Mantri Awas Yojana-Gramin (PMAY-G) for providing funding benefits to eligible beneficiaries for construction of Pucca houses. The scheme was intended for those households who had Katcha houses. The Director, Special Projects, Government of Odisha, vide circular dated 12.01.2023 instructed all the Collectors to ensure wide publicity and display of list of provisionally sanctioned beneficiaries out of Awaas + list.

3. The petitioners are residents of Gopinathpur Gram Panchayat under Chandbali Block in Bhadrak district.

They claim to be eligible for benefits under the scheme. Pursuant to the circular issued by the Director, Special Projects, a block level inquiry team was formed for each Gram Panchayat, pursuant to which a probable beneficiary list containing 291 beneficiaries of Gopinathpur Gram Panchayat was published on 16.01.2023. Objections were invited from the public from 16.01.2023 to 24.01.2023. Certain objections were received from the public regarding the inclusion of ineligible beneficiaries, for which a team formed at the block level conducted an inquiry. In the inquiry, 33 beneficiaries were found ineligible, while the remaining 258 were found eligible. The matter was therefore placed before the Gram Sabha of Gopinathpur Gram Panchayat held on 30.01.2023, which approved the list of 258 eligible beneficiaries. The names of the petitioners of both the writ applications found place in the said list. Work orders were issued to the beneficiaries, including the

petitioners on 19.06.2023. The first installment amounting to Rs. 40,000/- was released in favour of some of the petitioners but the remaining installments were withheld. When the petitioners approached the authorities for the release of the first installment/subsequent installments they were informed that the same had been withheld on the basis of a written complaint submitted by one Malatilata Sahoo and others of the locality on 27.06.2023. The said complaint was with regard to inclusion of purportedly ineligible beneficiaries in the list. According to the petitioners, the complaint submitted by Malatilata Sahoo and others, copy of which has been obtained by them under the RTI Act was based on false and misleading statements and by using forged signatures. A grievance petition was therefore submitted to the BDO as well as the IIC, Chandabali Police Station by the members of the public against said Malatilata Sahoo. However, ignoring the

grievance raised by the public, a second inquiry was conducted and a report was submitted on 07.07.2023, wherein the petitioners were held ineligible for the benefits and in case of the petitioners in favour of whom the first installment had been sanctioned, orders were issued directing them to refund the said amount.

4. On such facts, the petitioners have filed these writ applications impugning the second inquiry report as also the notice issued for refunding the first installment benefits and freezing of the bank accounts and have prayed to issue directions to the authorities to issue work orders/release subsequent installments.

5. The stand of the State Government, as reflected in the counter affidavit and additional affidavit filed in W.P.(C). No. 25632 of 2023 (adopted in W.P.(C) No. 29123 of 2023) is that the petitioners were declared as eligible beneficiaries through proper process. As per the inquiry conducted after field verification, the genuinely eligible

beneficiaries were included in the selection list, while others were rejected. Pursuant to the instructions issued by the Director, Special Projects on 12.01.2023 followed by that of the Collector, Bhadrak, the BDO, Chandbali formed a block level inquiry team for each gram panchayat. On 16.01.2023, the PMAY-G probable beneficiary list for Gopinathpur Gram Panchayat was prepared and displayed in the Gram Panchayat. Objections were invited from public from 16.01.2023 to 24.01.2023. Complaints were received against some of the beneficiaries, which were inquired into by the team formed at the block level. Thus, out of 291 beneficiaries, 33 were reported as ineligible and 258 as eligible. Accordingly, the matter being placed before the gram sabha on 30.01.2023, the list was approved. Work orders were issued and in some cases, the first installment of the benefit was also released. At this stage, objections were received challenging the eligibility of 216

beneficiaries, basing on which the BDO, Chandabali formed a team comprising the BSSO, JE, two PEOs and two GRSs. The team conducted further inquiry and found only 124 beneficiaries out of 216 to be eligible while 92 were found ineligible. On such basis, the online work orders of the ineligible beneficiaries were auto cancelled. Earlier, the PR and DW Department, vide letter dated 30.05.2023 had issued instructions to further verify the PMAY beneficiaries in the Awaas + list to ensure that no ineligible household is granted the benefit.

6. The petitioners have filed a rejoinder, inter alia reiterating their contentions raised in the writ applications. Additionally, it is stated that the inquiry conducted on the basis of complaints submitted by Malatilata Sahoo and others was conducted without involving the petitioners. Though the public, in the grievance petition dated 08.07.2023 requested for re-inquiry involving the beneficiaries/petitioners, the same

was not considered. The report submitted by the inquiry team basing on which the benefits granted to the beneficiaries including the petitioners were stopped is false. The inquiry does not reflect the factual position in respect of the individual beneficiaries as regards their eligibility or otherwise. Moreover, the petitioner Nos. 4,12,25,32,41,44,49,53,58 and 64 have been granted further benefits during pendency of the writ applications, as the authorities were convinced that the so-called second inquiry report was wrong.

7. Heard Mr.A.Bhoi, learned counsel for the petitioners, Mr. S.N.Pattnaik, learned AGA for the State and Mr. S.K.Dalai, learned counsel appearing for Sarpanch of Gopinathpur Gram Panchayat. Also heard Mr. P.K.Parhi, learned DSGI appearing for Government of India.

8. Mr. Bhoi would argue that having once declared the petitioners as eligible for the benefits under the scheme as per due process of law, it is not open to the authorities

to turn around and subsequently label them as ineligible. Not only that the petitioners were declared eligible but also work orders were issued in their favour and in some cases, the first installment amounts were released. Mr. Bhoi would further argue that the authorities could not have acted upon a private complaint to conduct a further inquiry into the matter. Even otherwise, the so-called second inquiry was conducted without involving the petitioners and the report was completely based on incorrect facts.

9. Mr. P.K.Parhi, learned DSGI would submit that the Government of India grants financial assistance for the scheme which is to be worked out by the State Government as per the guidelines framed in this regard by both the Central and the State Governments. It is therefore for the State Government to satisfy this Court that the guidelines were properly followed.

10. Mr. S.N.Pattnaik, learned AGA on the other hand would submit that even though the petitioners were treated as eligible but subsequently it came to light that they had been wrongly treated as such. The private complaint was properly inquired into by a team comprising of several responsible officers, who gave their findings in respect of each of the beneficiaries of the list. Since the scheme is intended only for eligible beneficiaries, all those who are ineligible were weeded out.

11. Mr. S.K.Dalai would submit that the Standard Operating Procedure for sanction of PMAY-(G) houses issued by the Director, Special Projects is in consonance with the Framework for Implementation of PMAY of the Government of India. Mr. Dalai refers to the relevant provisions of the Government of India guidelines as well as the SOP of the State to submit that once the procedure laid down therein has been strictly followed, there is no

scope for entertaining any private complaint or for conducting any further inquiry reopening the issue of eligibility of beneficiaries. Moreover, the original list of eligible beneficiaries was itself based on field inquiry and was duly approved by the Gram Sabha. The guidelines do not provide for any further inquiry after approval by the Gram Sabha.

12. From the rival contentions, it is observed that the facts of the case are not disputed inasmuch as the names of the petitioners were included in the list of 291 eligible beneficiaries. It would be apposite at this stage to refer to the relevant guidelines. Chapter 4 of the Government of India guidelines refers to identification and selection of beneficiaries. Paragraph 4.3 and 4.4 being relevant are reproduced below:

> *"**4.3 Preparation of Priority Lists***
> *4.3.1 Separate priority lists, satisfying the principles of prioritization enunciated in para 4.2, will be generated for SC, ST and Others for each Gram Panchayat / Village Sabha or lowest unit of local self-government as recognized by the respective State/UT Panchayat Act, subject to availability of eligible households. System generated category wise ranked priority list could be downloaded from the programme MIS- AwaasSoft. Thereon, the lists are to be*

circulated to the concerned Gram Panchayats for verification by Gram Sabha.

4.4 Verification of Priority Lists by Gram Sabha (or Village Sabha or the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act)

4.4.1 Once the category wise system generated priority lists are made available and suitably publicized, a Gram Sabha/Village Sabha or the meeting of the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act, will be convened. The Gram Sabha/Village Sabha or the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act, will verify the facts based on which the household has been identified as eligible. If the inclusion has been done based on wrong facts or if the household has constructed a pucca house or has been allotted a house under any government scheme or permanently migrated since the time of the survey or has died leaving no successor, the Gram Sabha/ Village Sabha or the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act, shall delete the name of such household from the system generated priority list. The list of deleted households, including reasons for deletion, will form part of the minutes of the Gram Sabha/Village Sabha or the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act.

4.4.1.1 However, if a household has temporarily migrated or are not traceable after preparation of the Permanent Wait List, the State/UT Government may identify the Gram Panchayats where such cases exist and organize the Gram Sabhas of the respective Gram Panchayats for re-verification in the PWL, prepared. The Gram Sabha during the meeting may review such cases and re-prioritize such households and place them at the end of the PWL, so that allotment of houses to such beneficiaries can be made later. Gram Sabha resolution re-prioritizing the PWL needs to be uploaded on AwaasSoft and the priority in the PWL may be changed accordingly. Further "beneficiaries unwilling to construct house" is also a category for deletion/remand from the PWL of PMAY-G as per details given in the Remand Module Guidelines detailed in para 4.6.5.

4.4.2 In case there is a tie with more than one household within a sub group having the same deprivation score, the Gram Sabha / Village Sabha or the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act, will rank the households by according priority on the basis of the following parameters:

1) Households with widows and next-of-kin of members of defence/paramilitary/police forces killed in action;

ii) Households where a member is suffering from leprosy or cancer and People living with HIV (PLHIV).
ii) Households with a single girl child.
iv) Beneficiary families of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, commonly known as Forest Rights Act.
v) Transgender persons.
4.4.3 If none of the above parameters mentioned in para 4.4.2 are applicable, the Gram Sabha / Village Sabha or the lowest unit of local self-government as recognized by the respective State/UT Panchayat Act, may decide the ranking and record proper justification for the same. The ranking should be complete with each household being assigned a distinct rank."

Thus, it is the responsibility of the Gram Sabha to verify the facts based on which the household has been identified as eligible and if the inclusion has been done on wrong facts, it shall delete the names of such households from system generated priority list. The SOP circulated by the Director, Special Projects more or less conforms to the above guidelines, inasmuch as it provides for filing of objections after preparation of the list and inquiry relating to such objections followed by approval by the Gram Sabha. The relevant clauses of the SOP being V, VI, VII and VIII are reproduced below.

v. Inquiry of the objections
All the complains received shall be enquired into by a three-member team of Block consisting of one local GRS/PEO and two other staff not in charge of the concerned GP.

Block shall constitute the team and enter the name of team members of each GP In RH Portal Progress of enquiry by each team will be monitored through RH Portal.
The team shall conduct enquiry immediately after receipt of any complaint. Enquiry by the team can be within the publication period and shall be over latest by 28th January 2023.
vi. Approval by Gram Sabha
Special Gram Sabha shall be convened within a week from the completion of enquiry. Gram Sabha shall approve the list of eligible HHs and the priority setting of the beneficiaries placed in the same rank in the system generated list.
vi. Ineligible HHs Deletion
The Ineligible HHs approved by Gram Sabha shall be deleted from the Awaas + list within 48 hours from Gram Sabha list.
viii. Issuance of Work Order.
Work Order will be issued to the eligible beneficiaries after completion of enquiry and approval of the final list by Gram Sabha."

Thus, the decision of the Gram Sabha appears to be final in this regard. In other words, once the Gram Sabha has given its approval to the final list, there is no other provision to reopen or re-inquire into the list. In the instant case, as admitted in the counter affidavit, the Gram Sabha of Gopinathpur Gram Panchayat considered the list of eligible beneficiaries including the objections received and in its resolution dated 30.01.2023 approved the list of 258 beneficiaries as being eligible. Thus, no further justification, much less any legal basis for reopening the matter has been made out. Reference has

been made to letter dated 30.05.2023 of the Principal Secretary to Government in PR and DW Department, wherein directions have been issued to the Collectors to further verify the eligibility of the households before issuing work orders to ensure that no ineligible household is sanctioned PMAY-G benefits. The above direction is obviously contrary to the Government of India guidelines and SOP referred to hereinbefore and can therefore have no legal sanctity.

13. Having held as above, this Court would hasten to add that notwithstanding the guidelines, an allegation of fraud can always be looked into as fraud vitiates all acts. But then nothing has been placed before this Court to even suggest that any kind of fraud was involved in preparation of the list of eligible beneficiaries and/or in the approval of the list by Gram Sabha.

14. This Court has perused the complaint submitted by one Malatilata Sahoo and several others. It simply says

that some ineligible persons have been treated as eligible beneficiaries contrary to the guidelines. The complaint is at most vague and inconclusive. Moreover, it was submitted on 27.06.2023 that is, long after the period granted for submission of complaints i.e. 16.01.2023 to 24.01.2023 and at that stage work orders had been issued and in some cases the first installment had also been released. Assuming for a moment that the complaint was correct, it implicitly means that the field inquiry conducted by responsible officers of the Government, after receiving objections from the public at the relevant time was incorrect. Nothing has been placed before this Court to show as to how the field inquiry was wrong or that the same was actuated with malafides. It has also not been shown as to if any action was taken against the persons conducting the field inquiry at the relevant time if at all it was found that their enquiry was wrong. Since the report of the field inquiry was

considered and approved by the Gram Sabha and nothing has been placed before this Court to show as to how the decision of the Gram Sabha was wrong, it becomes obvious that no reliance can be placed on the so-called second inquiry report.

15. This Court finds that the second inquiry conducted on the directions of the BDO was an ex-parte one without involving the petitioners and other beneficiaries, who are declared ineligible. Such inquiry was also on the face of a consistent demand made by the members of the public on 08.07.2023 to conduct an inquiry involving the beneficiaries, which was not acceded to. What is more significant to note is that some of the petitioners, namely at Serial Nos. 4,12,25,32,41,44,49,53,58 and 64 in W.P.(C). No. 25632 2023 were granted benefits in the form of release of the installments during pendency of these writ applications notwithstanding the fact that the second report states them as ineligible. This implies, the

authorities have themselves rejected the report at least in so far as the above petitioners are concerned.

16. Thus, from a conspectus of the analysis of facts, contentions raised and the discussion made, this Court is of the considered view that the action of the authorities in entertaining the private complaint long after approval the list of beneficiaries by the Gram Sabha being contrary to the relevant guidelines/SOP cannot be sustained in the eye of law. The second inquiry report submitted on 07.07.2023 (Annexure-11) in both the writ applications cannot also be sustained in the eye of law.

17. In the result, the writ applications are allowed. The impugned second inquiry report dated 07.07.2023 (Annexure-11) is hereby quashed. The action taken to deprive the benefits to the petitioner-beneficiaries pursuant to such inquiry is hereby declared invalid. The concerned authorities are directed to act upon the resolution dated 30.01.2023 passed by the Gram Sabha

of Gopinathpur Gram Panchayat by releasing admissible benefits under PMAY-G Scheme to the petitioner-beneficiaries without any further delay. The whole exercise should be completed within six weeks from the date of production of certified copy of this order by the petitioners.

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Sashikanta Mishra,
Judge

Deepak

Signature Not Verified
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Signed by: DEEPAK PARIDA
Reason: Authentication
Location: OHc,Cuttack
Date: 24-Oct-2025 19:03:45