



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO.10507 OF 2018

Balaji Yuvak Mandal, Navandi.
Through its President
Tukaram s/o Arjunrao Budhe
Age: 49 years, Occ: Agri.
r/o Mane Nagar, Loha,
Tq. Loha, Dist. Nanded.

.....PETITIONER

VERSUS

1. Union of India,
Ministry of Social Justice and Empowerment,
Through its Secretary,
Government of India,
6th Floor, A Wing, Shastri Bhavan,
New Delhi-110 001.
2. The State of Maharashtra,
Through the Secretary,
Social Welfare Justice and
Special Assistance Department,
Maharashtra State, Mantralaya,
Mumbai-400032.
3. The Director of Social Welfare,
Maharashtra State, Pune.
4. The District Social Welfare
Officer, Nanded, Dist. Nanded.

.....RESPONDENTS

Mr. V. D. Salunke, Advocate for the petitioner
Mr. A. G. Talhar, Advocate for respondent no.1/Union of India
Mr. S. N. Kendre, AGP for respondent nos.2 to 4

CORAM : KISHORE C. SANT &
AJIT B. KADETHANKAR, JJ.

RESERVED ON : 06TH AUGUST, 2026

PRONOUNCED ON : 12TH AUGUST, 2026

JUDGMENT :- (Per Ajit B. Kadethankar, J.)**Subject-matter**

Respondent no.1 - Union of India has identified the Petitioner organization as a Project Operator of a social benevolent scheme formed for the upliftment of the Scheduled Caste students. The scheme was generally known as 'Aid to voluntary organization working for scheduled caste for the project of residential school'. In terms of the Scheme, the Project Operator has to run a residential school for the students of Scheduled Caste category. As against this, the Union of India issues grant to such operators. Petitioner operated the project successfully and even received grants for some years. However, citing a reason of dispute *inter-se* two office bearers of the trust, the grants remained unpaid for 11 years. Petitioner demonstrated the State Authorities i.e. the Nodal Authority that no such dispute is pending. However Respondent no.1 denied the disbursement on account of delay on the part of the State Authorities to update the developments timely. It is an admitted fact that during the unpaid years, inspection was conducted by the authorities deputed by the Respondent no.1, and the proposal was recommended by the State authorities for disbursement. However, the grants remained unpaid. Hence this petition is filed for directions to disburse the grant for the recommended period.

2. Rule. Rule made returnable forthwith. At the instance of the parties, we have taken up this matter for final disposal.

3. **Facts in brief:**

a) Petitioner is a Trust registered under the Maharashtra Public Trusts Act 1950, as also a Society within the meaning of the Society Registration Act 1860.

b) In the year 1997, particularly vide letter dated 29.09.1997 the Union of India issued grant-in-aid to the Petitioner for establishing a new project namely 'Residential School' under the 'Aid to voluntary organization working for scheduled caste Ashramshala'.

c) Accordingly, the Petitioner's society-trust set up the Ashramshala under the Scheme at Osmanabad (Dharashiv). Subsequently, the Petitioner shifted the project at Loha, Nanded.

d) The Petitioner was running the project within the parameters set by the government. The authorities were also issuing grants in aid to the Petitioner till 1999-2000. However, despite there being no adversity, grants for the year 2000-2001, 2001-2002, and 2002-2003 were not issued to the Petitioner. The Petitioner agitated the authorities for release of grants for the said period. However, those grants remained unpaid. Pertinent to note, grants for 2003-2004 and 2004-2005 came to be issued by the Authorities to the Petitioner.

e) Suffice to note, the District Social Welfare Officer regularly visited Petitioner / subject-matter school, conducted thorough inspection, and recommended release of grants every year. Whatever additional suggestions were suggested by the authority for betterment of the Scheduled Caste student, those were welcomed by the Petitioner and were complied too.

f) The District Social Welfare Officer forwarded proposal for release of grants to the Petitioner for 2007 to 2013. However, for no reason the grants were withheld by the respondent authorities. Thus, the Petitioner was left with no option than to file present Writ Petition.

4. Submissions:

(i) Mr. V. D. Salunke, learned advocate for the Petitioner submits that there is no reason as to non-disbursement of the grants to Petitioner institution. He would straightway place reliance on the inspection reports submitted by the competent authority to the higher authorities under the Scheme. Those reports speak the reality. He submits that during the entire period there is no adverse remark against the institution nor there is any deficiency was ever communicated by any of the authorities against the inspection reports.

(ii) It is further submitted by the learned advocate for the Petitioner that, as a matter of fact the Petitioner had been running the project to meet the utmost object of the scheme, and the project has proved beneficial for the class of students for whom the grants were issued to the Petitioner. With a benevolent object, the Petitioner is running the school awaiting the grants. However, it turned hard later to run the school for want of grants. With this, Mr. V. D. Salunke, learned advocate for the petitioner prays to direct the authorities to release the grants.

(iii) Mr. A. G. Talhar, learned Deputy Solicitor General of India representing the Union of India places his reliance on the reply affidavits filed by the authorities. He would submit that the authorities are bound by the terms and conditions of the scheme and that nobody can seek grants as a matter of right. He would submit that the reply affidavits illustrate the grounds for non release of the grants to the petitioner, and the affidavits be read as defense by the respondent authorities.

(iv) Mr. Talhar would further submit that the scheme is for upliftment of such category of students who need support for betterment of their education and also standard of living. It is earnestly submitted by the learned Deputy Solicitor General that the Union of India and the Authorities have not treated the Writ Petition

as an adversary litigation, rather implementation of the scheme would go as per the terms. An objection to the maintainability of the Writ Petition is also raised by the respondent authority. Reliance is placed on a judgment and order passed by this Court in a case reported at **2004 (3) Bom. C.R. 723 (Keraleeya Samajam and ors. Vs. State and ors.)**. With this, Mr. Talhar concludes his arguments.

(v) Mr. S. N. Kendre, learned Assistant Government Pleader submits that the State is merely a nodal agency. He would agree that the District Social Welfare Officer has regularly visited the subject-matter school and has submitted his fact finding report. Mr. Kendre would lastly submit that it is for the Respondent no.1 to take decision on release of grants. With this, learned Assistant Government Pleader concludes his arguments.

(vi) Suffice to note, in the year 2024, the Government of Maharashtra filed a reply affidavit pointing out some other aspects of the matter, however could not address anything on the recommendations for grant till 2013. It is sought to make submissions for the period 2014 onwards. We shall deal on this in our discussion part.

5. Discussion and consideration

(i) We heard all the respective parties at length. The Writ Petition is filed in the year 2018 seeking release of grants for 2001 to

2003 and 2007 onwards. With able assistance of the learned advocates, we have perused the pleadings and the annexures.

(ii) At the outset, we mention that this is not a case of any interpretation. The only issue is the reasons and procedure in withholding the grant-in-aid to the Petitioner.

(iii) The Petitioner has placed on record the necessary documents. The registration certificate of the petitioner as a society and trust are filed on record. The initial grant for setting up the project is also on record. So far as petitioner's status is concerned, the respondent authorities have not objected anything. It is also a matter of record and the admitted fact that for certain period the grants were released to the Petitioner. The only issue is sudden withholding of the grants. The reply affidavits filed by the respondent would lead to the reasons of withholding the grants.

(iv) The very first reply affidavit is filed under the signature of one Mr. N. S Venkateshwaran. In this reply, it is submitted on oath that the Petitioner is granted permission to run a residential primary school. Accordingly, the Petitioner was running a school namely Central Scheduled Caste Residential Ashram School. It is also admitted that for some period, grants were also issued to the Petitioner. However, only on the count of a dispute *inter-se* two persons namely one *Mr. Ashok Dhondiram Kandgire* and *Mr. Tukaram*

Arjun Rao Buddhhe taking to presiding status in the society, the grants were not released. Except this, there is not a single ground mentioned in the reply by which the grants were withhold.

(v) For the sake of convenience, paragraph Nos. 2 and 3 of the first reply affidavit are reproduced herewith:

2. *I say and submit that the petitioner, Balaji Yuvak Mandal, is seeking release of Grants-in-Aid from the Ministry of Social Justice and Empowerment for running the residential primary school i.e. "Central Scheduled Caste Residential Ashram School", Taluka Loha, District Nanded under the above scheme. As per records, the organization was released Grant-in-Aid up to 2004-05. The inspection report for 2005-06 along with recommendation was received from the Directorate of Social Welfare, Government of Maharashtra, Pune. But there was a dispute between the Managing Committee and two individuals were claiming that they were the Secretary of the organization. Names of these two individuals were Shri Ashok Dhondiram Kandgire and Shri Tukaram Arjun Rao Budhe. Both of them were claiming in their letters that they were running the school and grant-in-aid should be released to them. Due to this dispute a report was sought from the State Government of Maharashtra by this Department. During this period, no Grant-in-Aid could be released to the NGO and, therefore, it became a time-barred case as per provisions of the GFRs. The case of revival of the project was examined by the Department, but no decision was taken due to various discrepancies observed in the proposals.*

3. *In view of these facts, I say and submit that as per the standard terms and conditions, if the Government is not satisfied with the progress of the project or considers that the guidelines of the scheme, terms and conditions and instructions issued from time to time by this Ministry and Department of Expenditure (General Financial Rules, 2017 etc.) are being violated, it reserves the right to terminate the Grant-in-Aid with immediate effect and also takes such other action as it deems fit with or without prior notice. These terms further stipulate that the grants cannot be claimed as a matter of right; it depends on sole discretion of the Government of India depending on the merit of the project. Further, it is stipulated that all disputes with regard to release of grants are subject to Delhi jurisdiction only.*

(vi) Now, we shall turn to the conclusion of the Inspection Reports and recommendations by the Special District Social Welfare Officer, Nanded from time to time. Those read as follows:

03.02.2006	At the time of inspection 94 (Ninety Four) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2005-2006 to the organization.
11.10.2006	At the time of inspection 96 (Ninety Six) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2006-2007 to the organization.
22.08.2007	At the time of inspection 96 (Ninety Six) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2007-2008 to the organization.
01.10.2008	At the time of inspection 92 (Ninety Two) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2008-2009 to the organization.
20.08.2009	At the time of inspection 91 (Ninety One) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2009-2010 to the organization.

11.08.2010	At the time of inspection 91 (Ninety one) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2010-2011 to the organization.
22.10.2011	At the time of inspection 70 (Seventy) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2011-2012 to the organization.
22.02.2013	At the time of inspection 94 (Ninety Four) SC primary students and staff were found present. Organization is running this school satisfactorily. Hence recommended for continues project and sanction of grant in aid for the year 2012-2013 to the organization.

(vii) It is pertinent to note that each recommendation was verified thoroughly by the Government of Maharashtra, Social Welfare Department. Upon its satisfaction, the proposals were forwarded to Respondent no.1- Union of India for disbursement of the grants as per the details. Thus, it is seen that the inspection report by the Special District Social Welfare Officer is not the only basis for the grant-in-aid.

(viii) It must be noted that in January 2012, some clarification was sought by Respondent no.1 from the Principal Secretary, Social Justice and Special Assistant Department, Government of Maharashtra in respect of Petitioner's school. It was instructed to

conduct an inspection by a Senior Officer and then to forward the proposal.

(ix) Accordingly, a special inspection was conducted and compliance report with explanation was submitted by the Deputy Secretary to the Government of Maharashtra vide letter dated 01.03.2012.

(x) As observed supra, the first reply affidavit does not speak anything about any objection, except a dispute between two office bearers of the Petitioner/institution.

(xi) The Petitioner filed rejoinder affidavit and denied that there is any dispute that would stall the disbursement. The clearance from the office of the Learned Assistant Charity Commissioner, Latur and the Learned Joint Charity Commissioner is also produced to counter the objection.

(xii) A reply affidavit on behalf of the Government of Maharashtra is filed on 25.07.2024 is filed by one Mr. Shivanand Mingire, Assistant Commissioner of Social Welfare, Nanded.

(xiii) It is candidly accepted in the reply affidavit of the Government of Maharashtra that the State government is least concerned about release of the grants from the Union of India to the organizations under the scheme. Till 2013, the proposals from the organization were received offline, and after verification those were

recommended to the Union of India.

(xiv) This deponent submits that since after the online proposal submission is started in 2014, no proposal is received from the Petitioner. It is further submitted that since no proposal is received, there was no occasion to forward any proposal after 2014.

(xv) It is further sought to be submitted in the year 2023 that the inspection report showed performance of the Petitioner school as 'D' i.e. inadequate performance, and hence a show cause notice was issued to the Petitioner. That the Petitioner replied the show cause notice. However finding the reply non satisfactory, a proposal was sent for de-recognition of the petitioner's school.

(xvi) We have also gone through the additional reply affidavit filed by the Respondent no.1 under the signature of one Mr. Rakesh Kumar. It is re-affirmed that the grants could not be issued only on account of dispute *inter-se* two office bearers of the Petitioner body. It is further clarified that an explanation cum clarification was received from the Government of Maharashtra over the issue, but at belated stage. That, in view of General Finance Rules, 2017 the claim was time barred.

(xvii) The additional reply refers to another additional reply affidavit wherein General Finance Rules 2017 remained to be quoted. However, we do not find any such additional reply on record. There is

only one reply affidavit styled as 'Short Affidavit on behalf of the Respondent no.1' i.e. under the signature of Mr. Venkateshwaran , and the later additional reply under the signature of Mr. Rakesh Kumar.

(xviii) Petitioner's rejoinder affidavit is reply to the reply affidavit filed by the Government of Maharashtra and the additional affidavit filed on behalf of the Respondent no.1. The contents of the rejoinder affidavit from its paragraph No.4 to 9 read thus:

4. The respondent nos. 2 to 4 in para no. 06 categorically states that, they have undertaken inspection about 34 voluntary organizations which are getting grant in aid from Central Government and report submitted to the Central Government vide letter dated 11.05.2015 which is at Exh. 'R-2'. Wherein, the petitioner's name is at serial no. 15 which has given Class 'C'. It is at page no. 187. I say and submit that, in the said report, it is suggested that, 17 organizations at list 'A', their grant should be stopped and 17 organizations as per list 'B' page no. 186 are entitled for grants, it should be paid as per grade. It is therefore clear that, the petitioner institution was eligible to get the grant in aid.

5. In para no. 7 it is stated that, in the inspection of the petitioner school was made on 10.03.2023 (actually it is made on 13.03.2023) whereas, there were no students. I say and submit that, on that day there were no students because we constrained to close the school as school is not receiving the grants. I say and submit that, after filing of the petition in 2018, the management continue to run the school in adverse conditions by taking loans on their private property itself. After filing the petition, it was expected that, they will get the relief at least within a year so that for further period school can be run smoothly. However,

no relief was received to the petitioner as respondents were not filing even reply which is lasty filed on 25.07.2024.

6. I say and submit that, the respondent no 1 denying the claim of petitioner on very unsustainable ground saying that, there is dispute in the Managing Committee of the petitioner institution whereas, the Deputy Secretary of Government of Maharashtra long back by letter dated 04.01.2011 communicated to the respondent no 1 that there is no dispute in the Managing Committee of the petitioner. The copy of letter dated 04.01.2011 which was paced before this Hon'ble Court and referred in the order dated 11.06.2024 is annexed here and marked as Exhibit "P-2"

7. I say and submit that, I continued the school till December 2022. I say and submit that, the Government Officer i.e. Chief of the Central Shri Kasbe N.S. suddenly visited the school on 29.12.2022 and inspected the school and recorded inspection notes pointing out presencee of the students etc. The copy of the said report dated 29.12.2022 is annexed here and marked as Exhibit "P-3". I say and submit that, till the end of December, the petitioner continued the school and it was beyond his control to continue it and therefore, did not continue it from January 2023.

8. I say and submit that, in view of the above inspection reports, even affidavit in reply filed by respondent nos. 2 and 3, the petitioner is entitled for the grants in aid as prayed for.

9. I say and submit that, the respondent no. 1 Union of India filed its reply and denied their responsibility to pay the grant in aid on a surprising and or unsustainable grounds stating that, the claim is time barred as per Financial Rules 2017. I say and submit that, such a stand is unsustainable, the Government are passing several beneficial projects / schemes and not implementing it properly, thereby, the institution like petitioner are sufferers and required to

be closed down. At least their claim for the prayer which otherwise entitled has to be paid to them but i.e. being denied on unsustainable grounds by respondent Union of India. Hence, by allowing the petition, the directions may kindly be issued against respondent no. 1.

(xix) Thus, it is an undisputed fact that the Petitioner has closed down the school by the end of 2022. The Petitioner stated that non disbursement of grants constrained to close down the school. So far as online submissions for grant are concerned, during the hearing Mr. Salunke produced on record a copy of an acknowledgment issued by the authorities in respect of claim for the year 2016-2017.

(xx) We find that the Petitioner was never communicated about any objection or discrepancy or deficiency in respect of the proposals for 2003-2004, 2004-2005, and 2007 onwards till filing of the Petition in 2018.

(xxi) The first reply affidavit speaks nothing about any default on the part of the Petitioner. The only objection is regarding the dispute *inter-se* two office bearers of the Trust. The petitioner has clarified that there is no dispute or the dispute stands resolved under the orders of the learned Charity Commissioner. Even otherwise, beneficiary of the scheme grant is 'School' of which expenses are to be reimbursed, the organization/trust is merely a medium in this process. The school is headed by its Head master/Administrator. We are of the considered opinion that the so-called dispute *inter-se* two

office bearers is not a justifiable ground to hold on the disbursement of the grants. If it is allowed, this shall frustrate the very object of the scheme. Even otherwise on facts, the dispute no more remained in force looking to the judgments rendered by the learned Joint Charity Commissioner.

(xxii) The inspection was done from time to time as is recorded in the facts chapter. Recommendations are also there corresponding to each proposal. Whenever directed, special investigation was also conducted and clarification was submitted. If there is any delay on behalf of the State authorities in communication with Respondent no.1, Petitioner can not be penalized for that. We disapprove the defense taken by Respondent no.1 in the additional affidavit on the point of delay treating Petitioner's claims as 'time barred'. For the unpaid claim proposals, we hold that those could not be discarded on account of delay.

(xxiii) We also record that the Government of Maharashtra initially chose not to file any reply affidavit. Instead, in the year 2024 i.e. much after Respondent no.1 filed reply followed by rejoinder affidavit by the Petitioner, a reply affidavit is filed by the Government of Maharashtra. This also doesn't speak about the unpaid claims till 2013.

(xxiv) Vide additional reply affidavit, the Respondent no.1 has sought to produce on record entirely different story than what was stated in the first reply affidavit. Much emphasize is given on the period post 2013 proposal.

(xxv) We appreciate the 2nd rejoinder affidavit by the Petitioner and the submissions of Mr. Salunke, learned advocate for the Petitioner that, a moderate prayer for release of the unpaid grants till 2013 atleast could be granted. At the cost of repetition we record that for proposals till 2013, there was every compliance and thereafter only, the Government of Maharashtra has recommended the claims.

(xxvi) Except an acknowledgment paper showing some proposal was submitted in 2016-2017, there is nothing on record to show that after introduction of online system, the Petitioner has submitted any proposal and atleast it was processed at the level of the State authorities like the earlier proposals.

(xxvii) In the peculiar facts and circumstances of the case, we deem it appropriate to exercise our jurisdiction u/a 226 of the Indian Constitution for directing the Respondent no.1 to disburse the grants to the Petitioner for the period 2000-2001, 2001-2002, 2002-2003 and 2005-2006 onwards till 2012-2013.

(xxviii) Before we part, we find that the reliance placed by the Respondent no.1 on the view taken by this Court in the case of ***Keraleeya Samajam and ors.*** (supra), is misplaced. The facts are altogether different. It was held therein that school permitted to run permanently on 'non grant basis' was not entitled for grant in aid. It was further held that grant in aid is not a constitutional right, for the reason that the specific rules permit grants from public funds subject to availability of funds. Apparently facts of the case in hand, as discussed above, are absolutely different from the cited case. The scheme itself is based for grant to run the project. There is no case of non availability of funds. The scheme is that the project operator shall run the project against the grants. With due respect, we observe that the cited case is of no avail to the respondents.

(xxix) On the other hand, we find that the Petitioner has rightly placed reliance upon the law laid down by the Honorable Supreme Court in the case of ***Andi Mukta Sadguru Shree Muktajee VSSJMST Vs. VR. Rudani*** reported at ***1989 AIR (SC) 1607*** wherein it is held that for the grounds mentioned in the Writ Petition, this court is empowered to exercise the jurisdiction u/a 226 r/w Article 12 of the Constitution.

6. For the reasons recorded herein, we pass following order:

ORDER

1. Writ Petition stands partly allowed;
2. The Respondent no.1 shall within 12 weeks from today, disburse the grants to the Petitioner for the period 2000-2001, 2001-2002, 2002-2003 and 2005-2006 onwards till 2012-2013 as is quantified in the proposals and the recommendations.
3. Rule made absolute in above terms.
4. Civil Application if any, stands disposed of.

[AJIT B. KADETHANKAR, J]**[KISHORE C. SANT, J.]**