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ORISSA HIGH COURT : CUTTACK

WP(C) No.16506 of 2025

An application under Articles 226 & 227 of the Constitution of India.

Ramesh Chandra Panda

...

Petitioner.

-VERSUS-

State of Odisha & Others

...

Opposite Parties.

Counsel appeared for the parties:

For the Petitioner : Mr. B. Jalli, Advocate

For the Opposite Parties : Mrs. U. Padhi, Addl. Standing Counsel.

Mr. K. Jena, Adv. (For O.P. No.6)

P R E S E N T:

**HONOURABLE
MR. JUSTICE ANANDA CHANDRA BEHERA**



Date of Hearing : 15.01.2026 :: Date of Judgment : 28.01.2026

JUDGMENT

ANANDA CHANDRA BEHERA, J.—

1. This writ petition under Articles 226 and 227 of the Constitution of India, 1950 has been filed by the petitioner praying for quashing the Letter/Order dated 16.04.2025 under Annexure-3 issued/passed by the Opp. Party No.6 (The Managing Director Agriculture Promotion & Investment Cooperation of Odisha i.e. APICOL) and to direct the Opp. Parties including the Opp. Party No.6 for releasing the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- (rupees fifty lakhs only).

2. The factual backgrounds of this writ petition which prompted the petitioner for filing of the same is that, on being allured by the scheme/yojana of “Mukhyamantri Krushi Udyog Yojana” (MKUY) published through the Notification of the Government, Department of Agriculture & Farmers’ empowerment to ease of doing Agri-business with simple, transparent, online and time bound implementation of the said Yojana for the larger interest of the agri-entrepreneurs of



the State, the petitioner being an agriculturist applied for establishing a layer farming of 30,000 bird capacity in his landed properties in Mouza-Dimiria under Khalikote Police Station in the District of Ganjam in the name of its project as Maa Tarini Poultries Private Limited and made an application for the sanction of loan for his such project as per MKUY Scheme/Yojana and after considering his application and on fulfilment of all the criterias of such Scheme/Yojana, a loan of Rs.1,80,00,000/- was sanctioned by the Opp. Party No.3 (The Chief District Veterinary Officer-Cum-Nodal Officer MKUY (ARD), Ganjam) in favour of the petitioner towards the above project cost of the petitioner and the Opp. Party No.3 requested Opp. Party No.7 (The Branch Manager, Indian Bank, Berhampur, City High School Road, Berhampur) for releasing the said loan amount in favour of the petitioner and accordingly, a Go-Ahead Letter vide Annexure -4 was issued on dated 25.05.2021 by the Opp. Party No.3 in favour of the petitioner and the Opp. Party No.3 also issued a letter vide Annexure-5 to the Opp. Party No.7 for extending cooperation through necessary financial support to the petitioner for the



establishment of the project of the petitioner. During that time, Covid-19 pandemic was continuing all over the country and the same was at its peak stage. As the "Go-Ahead Letter" vide Annexure-4 was issued during the time of continuation of Covid-19 Pandemic, for which, the project works of the petitioner could not be progressed effectively for the non-availability of man powers. So, after lifting of the lockdown and shut down measures of Covid-19 Pandemic, the project works of the petitioner progressed slowly. Because, soon after the lifting of the Covid-19 pandemic, required number of man powers were not available only for the reason that, the persons/labourers those were affected in Covid-19, they were not physically fit to resume their works immediately. However, the petitioner could able to complete his project work by the end of March 2024 and intimated the same to the Opp. Parties. For which, on 06.05.2024, the project of the petitioner was inspected physically by the Engineer of Indian Bank and a report about the completion of project of the petitioner was given on dated 07.05.2024 vide Annexure-7.



As per the guidelines of “Mukhyamantri Krushi Udyog Yojana” (MKUY) and as per Annexure-4, the petitioner was entitled for the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- on completion of his above project, but, when in spite of approach of the petitioner, the Opp. Party No.6 did not release his subsidy of 40% amount of the project cost (Fixed Capital) limited to Rs.50,00,000/- in conformity with the guidelines of MKUY scheme, then, the petitioner approached this Court by filing a writ petition vide WP(C) No.3624 of 2025 praying for directing the Opp. Parties including the Opp. Party No.6 (M.D of APICOL) for releasing subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- (in words, fifty lakhs only) in favour of the petitioner.

3. As per the final order dated 06.03.2025 passed in WP(C) No.3624 of 2025, by this Court, liberty was granted to the petitioner to approach the Opp. Party No.6 (M.D. of APICOL) ventilating his all grievances through a representation for the sanction of the above subsidy and to dispose of the said representation of the petitioner within 2 weeks, clarifying that,



if the petitioner's claim is found to be genuine and admissible, necessary benefits be disbursed in his favour without any further delay.

Accordingly, the petitioner made a representation on dated 17.03.2025 (Annexure-2) in due time before the Opp. Party No.6 (M.D. of APICOL) praying for releasing the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- stating everything in detail in his representation.

After considering the representation dated 17.03.2025 (Annexure-2) of the petitioner, the Opp. Party No.6, as per Order dated 16.04.2025 (Annexure-3) rejected to his representation dated 17.03.2025 (Annexure-2) assigning the reasons that,

“According to the Go-Ahead Letter dated 25.05.2021 (Annexure-4), the project works of the petitioner should have been completed by 25.05.2023, but, as per the physical verification report dated 06.05.2024, his project works have been completed on 07.05.2024 and as his project works were not completed within 25.05.2023 i.e. within the time period



indicated in Annexure-4, he (petitioner) is not entitled for the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- as per MKUY scheme as claimed by him.

The Opp. Party No.6, communicated his aforesaid order dated 16.04.2025 (Annexure-3) to the petitioner through Letter No.391 dated 16.04.2025."

4. On being dissatisfied with the said order/letter dated 16.04.2025 (Annexure-3) issued/passed by the Opp. Party No.6, the petitioner challenged the same by filing this Writ Petition under Articles 226 and 227 of the Constitution of India, 1950 against the Opp. Parties praying for quashing the Letter/Order No.391 dated 16.04.2025 (Annexure-3) of the Opp. Party No.6 and to direct the Opp. Parties including the Opp. Party No.6 for releasing subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- in favour of the petitioner and to pass such other writs/orders as this Court may deem fit and proper stating in the writ petition that, due to continuation of Covid-19 pandemic, there was some delay in completion of the project works of the petitioner within 25.05.2023 for the non-availability of man powers



during such Covid-19 Pandemic period and the completion of project works by the petitioner within 25.05.2023 was beyond the control of the petitioner due to the continuation of Covid-19 Pandemic. For which, the subsidy of 40% of the project cost, which was declared by the Government as an incentive for the promotion of MKUY Scheme cannot be denied defeating the main object/purpose of such scheme discouraging the agricultural entrepreneurs like the petitioner causing ultimate loss and harassment to the petitioner as well Jeopardizing/creating obstacle in the nation's progress.

5. I have already heard from the learned counsel for the petitioner, the learned Addl. Standing Counsel for the State and the learned Counsel for the Opp. Party No.6.

6. The project of the petitioner i.e. M/s. Maa Tarini Poultries Private Limited at Dimiria is a layer poultry farming of 30,000 bird capacity, which is purely an agricultural project.

On this aspect, the propositions of law has already been clarified in the ratio of the following decisions:

(I) In cases between ***Commissioner of Income Tax, Bangalore Vs. Venkateswara Hatcheries (P) Ltd.***



and Ors. reported in **(1999) 3 SCC 632 & The Executive Engineer (Electrical) NESCO, Baripada Electrical Division Vs. OMBUDSMAN-II, (Electricity) and Ors.** reported in **2013 (I) OLR 250** that, hatchery comes under poultry farming covered under allied agricultural activities.

7. Here in this matter at hand, when the loan for the project of the petitioner i.e. M/s. Maa Tarini Poultries Private Limited was sanctioned under MKUY Agricultural Scheme of the Government and when the petitioner is an entrepreneur of the said agricultural scheme, then, as per the guidelines of the MKUY scheme, it is held that, the petitioner is an agricultural entrepreneur of the State under the MKUY scheme.

As per the MKUY scheme, all the agri-entrepreneurs of MKUY scheme like the petitioner shall be entitled to the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- but, as per Letter/Order No.391 dated 16.04.2025 vide Annexure-3, the Opp. Party No.6 has disentitled/denied the petitioner to get the same on the ground of non-completion of his project works within 25.05.2023.



The petitioner has specifically stated in his representation dated 17.03.2025 vide Annexure-2 (which was submitted on the basis of the final order dated 06.03.2025 passed by this Court in WP(C) No.3624 of 2025) that, due to the continuation of Covid-19 pandemic, there was little delay in completion of the project works and the project works were completed by the end of April 2024. The aforesaid little delay in completion of the project works by the petitioner was neither intentional nor deliberate, but the said delay was natural and obvious on account of Covid-19 Pandemic, which was beyond his control.

Considering the restrictions in the movements of the citizens all over the country during Covid-19 Pandemic, the stipulation/limitation/target for completion of all the project works were extended by the Supreme Court excluding the Covid-19 Pandemic Period clarifying about the same in the ratio of the following decisions:

(I) In ***Re: Cognizance for Extension Of Limitation In Suo Motu Writ Petition (C) No. 3 Of 2020*** decided in ***23.03.2020*** reported in ***2020 (1) CLR SC 660*** that, on account of Covid-19 variant resultant difficulties that may



be faced by the litigants across the country, period of limitation in all proceedings irrespective of limitation prescribed under the General Law or Special Law whether condonable or not shall stand extended w.e.f. from 15.03.2020 till further orders to be passed in the present proceedings and further declared that, the order is binding on all the Courts/Tribunals and authorities within the meaning of Article 141 of the Constitution of India, 1950. In the said case i.e. ***In Re: Cognizance for Extension Of Limitation In Suo Motu Writ Petition (C) No. 3 Of 2020*** decided on **10.01.2022** reported in **2022 (1) Civ.C.C. 317 (SC)** that, due to second surge in Covid Cases, the period of extension which was granted since 15.03.2020, the same is granted from 15.03.2020 to till 28.02.2022 and the period of limitation expires during such period shall stand excluded in computing the period of limitation.

8. As per the dictum of the Apex Court in the ratio of the aforesaid decisions, the time period stipulated in the Annexure-4 for starting the project works of the petitioner since 25.05.2021, as per Go-Ahead Letter dated 25.05.2021 was extended automatically as per law up to 29.02.2022 on the ground of restrictions in the movements of the people for



any work during that period due to natural non-availability of man powers for Covid-19 pandemic up to 28.02.2022.

When in view of the above dictum of the Apex Court, the project works of the petitioner should have been completed within its two years since 29.02.2022, but, instead of which, the project works of the petitioner have been completed by the end of April 2024 i.e. only in delay of two months on account of the affect of large number of persons in Covid-19 due to the slow progress of their physical fitness to join in the works, then, in such a situation, the slow progress of the project work due to lack of adequate man powers soon after the over of Covid-19 Pandemic was natural and obvious due to lack of physical ability of the persons/labourers to work physically soon after their recovery from Covid-19. For which, above two months delay in completion of the project work by the petitioner cannot be treated as his deliberate and intentional delay in completion of the same.

9. The conclusions drawn above finds support from the ratio of the following decisions:

(I) In cases between ***Naihati Jute Mills Limited Vs. Khyalinam Jagannath*** reported in ***AIR 1968 (SC) 522 &***



Satyabrata Ghosh Vs. Mugneeram Bangur & Co.

reported in **AIR 1954 (SC) 44** that, impossibility of performance may also arise where without any default of either party, when the contractual obligation had become incapable/impracticable of being performed, because the circumstances in which performance was called for was radically different from that undertaken by the contract, the Court can take the note of the said impossibility of performance.

(II) In a case between **Syed Khursed Ali Vs. State of Orissa & Another** reported in **2006 (I) CLR 400 (Para No.12)** that, when performance of the contract on the part of the petitioner became an impossibility and such impossibility can be brought within the fold of “force majeure”, because it applies to a subsequent unforeseen event or contingency, for which, neither of the parties is responsible.

(III) In a case between **Alopi Parshad & Sons Ltd. Vs. Union of India** reported in **AIR 1960 (SC) 588** that, in India, in the codified law of contracts, there is nothing which justifies the view that, a change of circumstances, “completely outside the contemplation of parties”, at the time when the contract was entered into, will justify a Court, while holding the parties bound by the Contract, in departing from the express terms thereof.

10. *Subsidy* means, the subsidy is a monetary help provided to the loanee by the Government.



The object and intention of the Government for the introduction of the **Subsidy Scheme** is to attract more entrepreneurs in respect of the projects under that scheme.

The law relating to the object of the subsidy has already been clarified in the ratio of the following decisions:

- (I) In a case between **Vasu Coco Private Limited Vs. State of Kerala & Others** reported in **2023 Livelaw (Ker.) 27 (decided on 10.01.2023)** that, the intention of the Government for the introduction of the subsidy scheme is to attract the persons like that of the petitioner as entrepreneur giving benefit through subsidy.
- (II) In a case between **Indian Oil Corporation & Others Vs. Kerala Road Transport Corporation & Others** reported in **(2018) 12 SCC 518** that, grant of subsidy by the Government is a matter of privilege, to be extended by the Government.

11. From the ratio of the aforesaid decisions as well as from the scheme of MKUY, it is clear that, the declaration was made by the Government for the payment of the subsidy in order to attract more entrepreneurs for that agricultural MKUY Scheme/Yojana.

12. APICOL i.e. Agricultural Promotion Investment of Odisha Limited is a wholly owned corporation of Government of Odisha. The sole objective of the APICOL is to promote agri-



based industries, food processing industries including commercial agriculture, horticulture, animal husbandry and fisheries. APICOL is a Government of Odisha undertaking, coming up as a promotional organization for providing assistance to agricultural enterprises in the State of Odisha.

So, APICOL is a sector of the Government. Therefore, Government is the principal of the APICOL.

13. Here in this matter at hand, none of the Opp. Parties including the Government (which is the Principal of the Opp. Party No.6) except the Opp. Party No.6(M.D of APICOL) has opposed/objection to the entitlement to the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- submitting any counter against the prayer of the petitioner and when subsidy will be paid by the Government as per the declaration made in the MUKY Scheme and when the Government (who is the Principal of the Opp. Party No.6) is not disagree for the payment of the declared subsidy as per the MUKY Scheme to the petitioner and when the completion of the project works within 25.05.2023 as per Annexure-4 by the petitioner was impossible/ impracticable on account of



continuation of Covid-19 pandemic till 28.02.2022 commencing prior to 25.05.2021 and when for such Covid-19 Pandemic, neither of the parties is responsible for delay in completion of the project works and when supervision of the project works of the petitioner were made by the Opp. Parties after 25.05.2023 without raising any objection about the non-completion of the project work within 25.05.2023, as they were aware that, for Covid-19 pandemic, it was not possible to complete the project works within 25.05.2023 forgiving/abandoning their right of any objection, then, at this juncture, the rejection to the claim of the petitioner for the grant of subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- as per the impugned Letter/Order dated 16.04.2025 (Annexure-3) by the Opp. Party No.6 (The Managing Director Agriculture Promotion & Investment Cooperation of Odisha i.e. APICOL) only on the ground of non-completion of such project works within 25.05.2023 is not justified under law. Because, the completion of project works within 25.05.2023 by the petitioner was impossible and



the same was beyond his control for the reasons assigned above.

For which, the impugned Letter/Order dated 16.04.2025 (Annexure-3) issued/ passed by the Opp. Party No.6 cannot be sustainable under law. The same is liable to be quashed.

14. Therefore, there is merit in the writ petition filed by the petitioner. The same is to be allowed.

15. In result, the writ petition filed by the petitioner is allowed on contest.

16. The impugned Letter/Order dated 16.04.2025 (Annexure-3) passed/issued by the Opp. Party No.6 is quashed.

All the Opp. Parties including the Opp. Party No.6 (The Managing Director Agriculture Promotion & Investment Cooperation of Odisha i.e. APICOL) are jointly and severally liable for the disbursement of the subsidy of 40% of the project cost (fixed capital) limited to Rs.50,00,000/- as per “Mukhyamantri Krushi Udyog Yojana (MKUY)” in favour of the petitioner within a period of 15 days from the date of this Judgment, failing which, the petitioner is entitled to get 9%



interest per annum thereon since 14.02.2026 till its full and final payment to the petitioner.

17. Registry is directed to communicate the copy of this Judgment to all the Opp. Parties immediately for proper implementation of the directions made in this Judgment.

18. As such, this writ petition filed by the petitioner is disposed of finally.

**(ANANDA CHANDRA BEHERA)
JUDGE**

*High Court of Odisha, Cuttack
The 28.01.2026// Rati Ranjan Nayak
Sr. Stenographer*