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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.781 OF 2014

Lokshradda Urban Co-op. Society Ltd.,
Barshi, Taluka Barshi, District Solapur,
through its Secretary Shri Anurudra Jadhav ..Petitioner.

V/s.

1. State of Maharashtra, through the Secretary, Department of Co-operation, Textiles and Marketing, Mantralaya, Mumbai – 400 032.

2. The Divisional Commissioner of Co-operation and Registrar, Co-operative Societies, Maharashtra State, Pune Division, Pune – 411 001.

3. The District Deputy Registrar, Co-operative Societies, District Solapur.

4. The Assistant Registrar, Co-operative Societies, Talka Barsi, District Solapur, ..Respondents.

Mr.Niranjan Prabhakar Shimpi for the petitioner.

Mr.V.S.Golkhale, AGP for respondent Nos.1 to 4.

CORAM : A.S.OKA AND V.L.ACHLIYA, JJ.

DATED : 28TH SEPTEMBER, 2015

ORAL JUDGMENT (PER V.L. ACHLIYA, J.)

1. Rule. Rule, returnable forthwith. In view of the limited grievance raised in the petition, the petition is heard finally.

2. The petitioner herein is a non agricultural co-operative credit society operating within the jurisdiction of Taluka Barshi, District Solapur. Respondent No.1 is the State Government and respondent Nos.2 to 4 are the officers of the State Government.

3. In nutshell, the petitioner has approached with a case that during the period 2008-09 due to lack of recovery of loan, it became impossible for some of the co-operative credit societies to return the deposits of its depositors. In order to overcome such chaotic situations arose through the State, the State Government decided to provide financial assistance in the form of loan to such urban co-operative credit societies within the State so as to enable them to repay the deposits to widows, abandoned women, pensioners and persons below the poverty line. Accordingly, the Government Resolution to that effect was issued on 5th April, 2010.

In order to overcome the situation, the State Government decided to advance loan to the tune of Rs.200 crores to such credit societies to enable them to return the deposits of the depositors of the categories referred above to the extent of Rs.10,000/-.

4. By subsequent Government Resolution dated 17th May, 2010, the scope of refund of the amount was extended to include the category of persons who had made deposits not more than Rs.50,000/- with the co-operative credit societies. Pursuant to recommendation made by committee headed by the Chief Secretary, the Government issued broad guidelines for making available financial assistance in the form of loan to such credit societies to overcome financial crisis and to return the deposits of said categories of depositors to the extent of Rs.10,000/-.

5. It is the case of the petitioner society that though their society was entitled to receive financial assistance in the form of loan from the State Government to repay the amount of deposits of their depositors and the Taluka as well as the District level committees recommended their proposal to provide financial assistance / loan to them, still the benefit of the scheme was denied to the petitioner-society by respondent Nos.1 and 2. According to the petitioner, in the matter of providing financial assistance to credit co-operative societies, the respondent No.1 has

acted in a discriminatory manner. The financial assistance was extended to those co-operative credit societies which were associated with political leaders or back-up from political leaders.

6. Respondent Nos.1 and 2 have opposed the petition by filing affidavit in reply. They have denied the allegations that for granting financial assistance loan, the Government has adopted discriminatory treatment and the assistance has been provided on political consideration. In the affidavit filed, the respondents have narrated in detail the circumstances under which the Government has taken a policy decision to provide assistance in the form of loan to the credit co-operative societies. In the affidavit, they have also mentioned the guidelines laid down for implementation of the scheme. In nutshell, it is the say of respondent Nos.1 and 2 that financial assistance in the form of loan to be extended to those co-operative credit societies who were facing acute financial crises and unable to repay the deposits of small investors / depositors. The proposal dated 31st October, 2011 as that of the petitioner society and others has been rejected for the reasons as set out in the letter dated 31st January, 2012. The respondents have denied that the petitioner society was discriminated in the matter of providing financial assistance. According to the respondents, vide letter dated 31st January, 2012, the proposal in respect of 78 societies which includes the petitioner society have been rejected

for the reasons specified therein. Therefore, there is no substance in the say of the petitioner that the proposal has been rejected on political consideration or the petitioner society has been discriminated in the matter of providing financial assistance.

7. We have carefully considered the submissions advanced and the documents referred and relied during the course of hearing. We are of the considered opinion that that the petitioner is not entitled to claim any relief as prayed for in the petition. Undisputedly, the policy decision to provide financial assistance in the form of loan to co-operative credit societies under financial crises was taken by the State Government due to serious consequence the small depositors were facing and even leading to creating serious law and order problem due to failure on the part of the co-operative credit societies to refund the deposits of their depositors. Considering the situation that some of such persons includes widows, abandoned women, pensioner, persons living below poverty line and some of them falling in the category of small depositors, the Government has come out with a bailout package to provide financial assistance to such co-operative credit societies in the form of loan to enable them to refund the amount to the extent of Rs.10,000/- of such persons. Subsequently, the scope of scheme was extended to cover the category of depositors who have deposited amounts in the range of Rs.10,000/-,

Rs.20,000/-, Rs.30,000/-, Rs.40,000/- and Rs.50,000/-. Since the amount to be paid to the credit co-operative societies was in the form of loan and that too to be extended in accordance with the guidelines laid down, denial of such loan to the petitioner society cannot be termed as action violative of the fundamental right of the petitioner. It is nowhere the case of the petitioner that the petitioner alone was denied financial assistance in the form of loan. On par with the petitioner, the proposals of as many as 78 credit societies were rejected / refused by letter dated 31st October, 2011. Therefore, it cannot be said that the petitioner has been discriminated in the matter of providing financial assistance in the form of loan.

8. There is no material on record to accept the contention of the petitioner that the proposal of petitioner society was rejected on political consideration. Perusal of the minutes of the meeting held on 11th June, 2010 i.e. Committee specifically constituted to scrutinize and process the proposals and make recommendation to provide financial assistance in the form of loan reveals that the petitioner society was not included in the 462 Urban Credit Co-operative Societies, who were found to be in financial crises. The name of the petitioner was later on included in proposal at the instance of member of the Committee nominated by organization of Shri Anna Hazare. As per the scheme, the Financial assistance

was to be extended to these Urban Credit Societies which were in financial crises. Since the petitioner society was not found to be in acute financial crisis, the name of the petitioner was not included in the initial proposal. The State Government was not under obligation to provide financial assistance to each and every credit co-operative societies who could not repay the deposits of its depositors. Hence writ jurisdiction under Article 226 of the Constitution of India cannot be invoked in favour of the petitioner so as to direct the respondents to provide financial assistance / loan to the petitioner society.

9. In view of the above, we find no merits in the submissions advanced by the learned counsel for the petitioner that the respondents have acted in arbitrary and discriminatory manner in providing financial assistance to the co-operative credit societies. We are of view that petition is devoid of any merit and substance therein. Accordingly, we dismiss the petition. However, no order as to costs. Rule stands discharged.

(V.L.ACHLIYA, J.) (**A.S.OKA. J.)**