**THE HONOURABLE SRI JUSTICE M.S.RAMACHANDRA RAO**

**WRIT PETITION No.1145 OF 2009**

**O R D E R :**

In this Writ Petition petitioner has questioned the proceedings dt.08.08.2008 of the 2nd respondent in restricting the benefit under Agricultural Debt Waiver Scheme, 2008 in respect of two loans borrowed by him to the extent of Rs.10,000/- per acre and interest thereon only, instead of waiving the entire loans borrowed by the petitioner.

2. Petitioner owns an extent of Ac.1-27 cents of agricultural land. He approached the 1st respondent-Bank for loan against pledge of gold and on 30.08.2006 a sum of Rs.25,000/- was sanctioned to him. Later at his request, on 05.09.2006, a sum of Rs.1,15,000/- was granted as loan on the security of gold given as security by the petitioner.

3. Thereafter, the above scheme was introduced by the 4th respondent. It applied to marginal and small farmers and also other farmers, who took agricultural loans as defined in the Scheme. The Scheme defined a 'marginal farmer' as a farmer cultivating agricultural land up to Ac.2-50 cents. The amounts eligible for debt waiver or debt relief was for the loans disbursed up to 31.03.2007 and over due as on 31.12.2007, which remained unpaid until 29.02.2008. The Scheme provides that in case of small or marginal farmers, the entire eligible amount shall be waived.

4. Since the petitioner availed the gold loans for agricultural purpose and he is having land holding of Ac.1-27 cents, he was treated as a marginal farmer. The 1st respondent applied the rules of finance to the farmers who availed agricultural loan at Rs.10,000/- per acre for raising paddy crop, and taking into account the fact that the petitioner had only Ac.1-27 cents held that the petitioner was entitled to avail loan of only Rs.12,700/- for the purpose of agriculture, and therefore it allowed benefit of loan waiver to the extent of Rs.12,700/- + unpaid interest of Rs.1,390/- on the 1st loan account No.62013288877 and a further amount of Rs.12,700/- + unpaid interest of Rs.1,373/- on the 2nd loan account No.62013599858. It opined that the petitioner was not eligible for getting finance of Rs.75,000/- and Rs.1,15,000/- due to the small land holding and he was not eligible for waiver of the total amount. Therefore, only that part of the loan given in connection with raising of crop was treated as a loan for agricultural purpose for grant of benefit under the above Scheme and balance amount of loan was considered as one for consumption or other needs of the petitioner.

5. Assailing the same, the present Writ Petition is filed.

6. Counsel for the petitioner contends that the action of the respondents 1 to 3 in not waiving the entire debt is arbitrary and hyper technical and there is no basis whatsoever for the

stand taken by the 1st respondent in not extending the debt waiver benefits under the Scheme for the entire loan taken by the petitioner. He contends that the loans taken by the petitioner were agricultural gold loans. Therefore, the entire loans should have been waived in toto and maximum benefit under the debt relief scheme should have been given to the petitioner.

7. In the counter affidavit filed by the respondents 1 to 3, the 1st respondent filed circular dt.12.06.2004 which referred to the constitution of the State Level Technical committee for finalizing the scales of finance for Kharif and Rabi for the State of Andhra Pradesh wherein all the branch managers were directed to directly follow the scales of finance while sanctioning crop loans and warning that under no circumstance, loan limits lesser than the scales fixed by the State Level Technical committee would be permitted. Under the said scheme, for paddy crop the maximum scale of finance is Rs.7,000/- per acre. In the counter affidavit, the Bank reiterated the stand taken in the impugned order.

8. Sri Ch.Siva Reddy, Standing Counsel for respondents 1 to 3 reiterated the stand taken by the 1st respondent-Bank in the counter affidavit.

9. There is no dispute that the Debt Relief Scheme, 2008 covers farmers like the petitioner, who was having agricultural

land of Acres 1.27 cents. No doubt the petitioner had borrowed amounts from the 1st respondent by pledging gold. The terms of the Scheme dealt with direct agricultural loans including short term production loans and investment loans, provided directly to the farmers for agricultural purposes. If, as per the norms of the 1st respondent-Bank, finance is restricted to Rs.10,000/- per acre in respect of agricultural loans for cultivation of paddy, merely because the petitioner had borrowed a higher sum on the security of gold, it does not make the entire loan amount taken in connection with agriculture. Therefore, the 1st respondent was correct in waiving only that part of the loan given in connection with agriculture for raising of crops under the Debt Waiver Scheme and treating the balance amount of loan as one taken for other purposes. This is purely a business decision based on the District Technical Consultative Committee Scales of Finance adopted by the 1st respondent and the said decision cannot be interfered with, in exercise of power of judicial review under Article 226 of the Constitution of India, in as much as it cannot be termed as irrational or unreasonable or perverse. Therefore, I do not find any merits in this Writ Petition.

10. Accordingly, this Writ Petition is dismissed. There shall be no order as to costs.

11. Consequently, miscellaneous petitions pending if any, shall stand closed.

**M.S. RAMACHANDRA RAO, J**

08th June, 2016
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