IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

PUBLIC INTEREST LITIGATION NO.73 OF 2018

Amarsinh Shivajirao Pandit,
Age : 52 years, Occu. Agri.,
Social Work and Politics,
R/o Shivcchatra, Subhash Road,
Beed **PETITIONER**

VERSUS

1. State of Maharashtra through
   Commissioner of Agriculture,
   M.S. Pune,

2. Collector,
   District Beed

3. Divisional Joint Director,
   Agriculture, Aurangabad

4. District Superintendent,
   Agriculture Officer, Beed

5. State Bank of India,
   Branch Manager,
   Umapur, Tq. Georai,
   District Beed

6. The Beed District Central
   Co-operative Bank, Beed,
   through Chief Executive Officer

7. State Bank of India,
   the Lead District Manager,
   Nagar Road, Beed

8. Asst. Manager,
   HDFC Ergo General Insurance
   Company Limited,
   4th Floor, The Onyx,
   Koregaon Park, Pune-1 **RESPONDENTS**

Mr. N.B. Khandare, Advocate for the Petitioner
Mr. A.B. Girase, Government Pleader with Mr. S.B. Yawalkar, A.G.P. For respondent Nos.1 to 4
Mr. S.A. Kulkarni, Advocate for respondent Nos.5 and 7
Mr. D.J. Chaudhari, Advocate for respondent No.6
Mr. S.G. Chapalgaonkar, Advocate for respondent No.8

CORAM : S.S. SHINDE AND R.G. AVACHAT, JJ.

JUDGMENT RESERVED ON : 16th JANUARY, 2019
JUDGMENT PRONOUNCED ON : 24th JANUARY, 2019

JUDGMENT (PER : R.G. AVACHAT, J.) :

Rule. Rule made returnable forthwith. With the consent of learned counsel for the parties and learned Government Pleader, heard finally.

2. The petitioner is an agriculturist. He is a Member of Maharashtra Legislative Counsel as well. By the present Public Interest Litigation ("PIL", for short), the petitioner proposes to espouse the cause of the farmers from Umapur revenue circle in Beed district. The petitioner seeks directions against respondent Nos.5, 6 and 8 for payment of amount of insurance claims due to mid-season adversity and loss caused to the farmers during kharip (autumn crop) season-2016.

3. Admittedly, the farmers, 1562 in number, from Umapur revenue circle had paid an amount of Rs.49,22,185/- for crop insurance cover. Due to nature's adversity, their crops failed. Those farmers, therefore, became entitled to receive the amount under the Insurance Cover. It was Pradhan Mantri Fasal Bima Yojna, introduced by the Central Government with an object to provide financial support to farmers suffering crop loss/damage, arising out of unforeseen events. The Government of Maharashtra, in order to implement the Scheme, issued a Government Resolution dated 5th July, 2016. HDFC Ergo General Insurance Company was chosen as insurer for the farmers of Umapur circle. The State Bank of India, Branch at Umapur of Georai Taluka was the bank selected by the Government, with whom insurance premium was to be deposited by the farmers.

4. As stated hereinabove, the farmers of Umapur revenue circle deposited the amount of Rs.49,22,185/- towards premium with the State Bank of India, Umapur Branch for kharip season-2016. The bank, in turn, was supposed to submit a consolidated proposal to the Insurance Company well within time. The State Bank of India, Umapur Branch submitted the proposal with a

mistake therein. The Bank entered incorrect revenue circle. Instead of Umapur circle, it mentioned to be Beed circle. The HDFC Ergo General Insurance Company (respondent No.8), therefore, turned down the claim of the farmers from Umapur revenue circle.

5. Mr. S.A. Kulkarni, learned counsel for the State Bank of India – respondent Nos.5 and 7 would submit that it was a typographical mistake. The names of the farmers from Umapur revenue circle with their details were submitted to the Insurance Company. Since it was a clerical mistake and the record would indicate that the crops of the farmers from Umapur circle were insured, the Insurance Company ought to have paid the claims under the Insurance Cover.

6. Mr. S.G. Chapalgaonkar, learned counsel for the Insurance Company – respondent No.8 would, on the other hand, took us through the relevant clauses of the Operational Guidelines of Pradhan Mantri Fasal Bima Yojana to ultimately submit that the Insurance Company was justified in not granting the claims.

7. Chapter XXIV of the Operational Guidelines speaks of Role and Responsibilities of Various Agencies

for successful implementation and administration of the Scheme. Clause 1(g) thereof casts responsibility on the Central Government as to interpretation of any provisions of the scheme and decision on any dispute in settlement of claims, whereas it was a responsibility of the lending or the nodal bank to prepare the consolidated statements for Loanee and Non-Loanee cultivators and forward the same to the Insurance Company along with premium amount and other details of the insured farmers. It further provides that Insurance Company shall acknowledge all declarations submitted by the Bank, mentioning the details of crop or the sum insured, etc. The Bank should crosscheck with their record and mistake, if any should be brought to the notice of the Insurance Company immediately. If no response is received from the bank within fifteen days, all the details given in the acknowledgement shall be considered finally and no change would be accepted lateron. Clause 4 (m) provides that the bank should ensure that cultivator may not be deprived of any benefit under the Scheme due to errors/omissions/ commissions of the concerned branch. In case of such error, the concerned Institution only shall make good such loss.

8. Admittedly, the State Bank of India, Branch at Umapur committed the mistake in its proposal. The proposal was marked as one for Beed revenue district instead of Umapur revenue circle. In view of clause 4 (m) of Chapter XXIV of the Operational Guidelines, it would, therefore, be the responsibility of the bank to make good all claims. The matter was, therefore, referred to the Government of India, Ministry of Agriculture, Cooperation and Farmers Welfare. It is reiterated that by virtue of clause 1(g) relating to Role and Responsibilities of various Agencies, the Central Government observed that the situation arose due to fault on the part of the bank and as per the role and responsibility enumerated in the Operational Guidelines, the liability of payment of claims to the farmers lies entirely with the bank. True, the decision of the Central Government may not be final since we are sitting in writ jurisdiction over the dispute. We have, however, no reason to take a different view. As per clause 4(m) of the Operational Guidelines, even in case of an error, the concerned Institution was under obligation to make good of such loss. Admittedly, the State Bank of India, Branch at Umapur committed an error

by mentioning an incorrect revenue circle. The error had not been rectified within time frame. Clause 4(m) is nothing short of an understanding between the agencies working for implementation of the Scheme. In our view, therefore, the HDFC Ergo General Insurance Company was justified in not granting the claim. The State Bank of India, Umapur branch cannot escape from its liability.

9. There is another aspect of the matter. The Insurance Company has received premium amounting to Rs.49,22,185/-. The Insurance Company is candid enough to consider it to be a mistake. The Insurance Company is, therefore, not justified to retain the amount of the premium.

10. For the reasons stated hereinabove, the PIL is disposed of in terms of the following order:-

(a) The State Bank of India, Branch at Umapur, Taluka Georai shall pay, within eight weeks, the claims of 1562 farmers of Umapur revenue circle with interest thereon at the rate of 7% per annum from this date to the date of payment.

(b) The HDFC Ergo General Insurance Company –

respondent No.8 shall repay, within eight weeks, the insurance premium amounting to Rs.49,22,185/- with interest thereon at the rate of 10% per annum from the date it received the amount of premium to the date of payment to the State Bank of India, Branch at Umapur, Taluka Georai.

(c) Rule is made absolute accordingly.

[R.G. AVACHAT]
JUDGE

[**S.S. SHINDE**]
JUDGE

npj/PIL73-2018