IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 11973 OF 2022

Bajaj Allianz General Insurance Co. Ltd.,
having its Registered Office at :
Bajaj Allianz House, Airport Road, Yerwada,
Pune – 411 006
Through its Authorized Representative

1. Suresh Vikram Nade,
Age : 36 years, Occu. Service,
R/o. Bajaj Allianz General Insurance Co. Ltd.,
ABC Complex, 3rd Floor, Near Prozone Mall,
Aurangabad – 431 001 .. Petitioner

Versus

1] The State of Maharashtra,
Through the Secretary, Agriculture,
Mantralaya, Mumbai

2] The Commissioner of Agriculture,
Commissionerate of Agriculture,
Maharashtra State, Pune 411 001

3] The District Collector,
Collector Ofice, Osmanabad

4] Union of India,
through the Ministry of Agriculture
& Farmers Welfare,
Krishi Bhawan, New Delhi

5] The Chief Executive Officer,
Pradhan Mantri Fasal Bima Yojna,
Government of India, Krishi Bhawan,
New Delhi

6] District Superintendent,
Agriculture Officer, Osmanabad

7] Assistant Manager,
CITI Bank, Onyx Towers,
Near Westin Hotel, Koregaon Park,
Pune .. Respondents

WITH
CIVIL APPLICATION NO. 2222 of 2024 IN WP/11973/2022
(The State of Maharashtra and others
Vs.
Bajaj Allianz General Insurance Co. Ltd. And others**)**

WITH
PUBLIC INTEREST LITIGATION NO. 38 OF 2023

1] Rajesaheb S/o Sahebrao Patil,
Age : 50 years, Occu. : Agriculture / Social Worker,
R/o At Post. Darfal,
Tq. & Dist. Osmanabad

2] Prashant S/o Achyutrao Lomate,
Age : 35 years, Occu. : Agriculture / Social Worker,
R/o Near Mahadev Mandir,
Baba Nagar, Kalamb, Tq. Kallamb,
Dist. Osmanabad

Versus

1] The Union of India,
Through Secretary,
Pradhan Mantri Fasal Boma Yojana
Government of India,
Krushi Bhavan,
New Delhi – 110 001

2] The State of Maharashtra,
Through Secretary,
Agriculture Department,
Maharashtra State, Mantralaya,
Mumbai – 400 032

3] The Commissioner for Agriculture,
Agriculture Commissionerate,
Shivaji Nagar, Pune – 1.

4] District Collector,
Collector Office, Osmanabad

5] District Agriculture Officer,
Osmanabad, Tq. & Dist. Osmanabad

6] M/s. Bajaj Alliance General Insurance Co. Ltd.,
Havng its Registered Office at,
Bajaj Alliance House,
Air Port Road, Yerwada,
Pune – 411 006
Through its Divisional Manager .. Respondents

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WP/11973/2022

Mr. Sharan Jagtiani, Senior Advocate a/w Mr. Bomi Patel, Advocate, Mr. Naval Sharma, Advocate, Mr. Saket Satapathy, Advocate, Ms. Shraddha Achaliya, Advocate, Mr. Sarthak Bahira, Advocate, Ms. Mansi Tyagi, Advocate i/b. Tuli & comp. i/b. Mohit R. Deshmukh, Advocate for the petitioner

Mr. R.N. Dhorde, Senior Advocate a/w Mr. V.M. Kagne, AGP for the respondent – State and for applicants in **CA / 2222 / 2024**

Mr. A.G. Talhar, DSGI for the respondent – UOI

PIL / 38 / 2023

Mr. V.D. Salunke, Advocate h/f. Mr. Yogesh K. Bobade, Advocate for petitioners

Mr. Ravi R. Bangar, Standing Counsel for the respondent no. 1 – UOI

Mr. Sharan Jagtiani, Senior Advocate a/w Mr. Bomi Patel, Advocate, Mr. Naval Sharma, Advocaet, Mr. Saket Satapathy, Advocate, Ms. Shraddha Achaliya, Advocate, Mr. Sarthak Bahira, Advocate, Ms. Mansi Tyagi, Advocate i/b. Tuli & comp. i/b. Mohit R. Deshmukh, Advocate for respondent no. 6

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CORAM : MANISH PITALE &
Y.G. KHOBRAGADE, JJ.

RESERVED ON : 31 JULY 2025
PRONOUNCED ON : 12 SEPTEMBER 2025

JUDGMENT (PER – MANISH PITALE, J.) :

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

2. This Writ Petition and the Public Interest Litigation (**PIL**) call upon this Court, to decide the questions that arise from a Memorandum Of Understanding (**MOU**), executed between the petitioner - Bajaj Allianz General Insurance Company Ltd. and the respondent - State of Maharashtra, in the backdrop of Government resolution dated 29.06.2020 (**GR**), issued by the State for crop insurance of farmers in the State of Maharashtra against all non-preventable natural risks or calamities from pre-sowing to post-harvesting stage, as contemplated as per the pan India policy of the Government of India under the *Pradhan Mantri Fasal Bima Yojna* (hereinafter referred to as '**PM Yojna**').

3. It is the case of the petitioner – insurance company that, having paid an amount of Rs.374,61,93,634/- to the farmers in respect of localized calamity that occurred in September / October – 2021, it had satisfied the dues payable as per the Revamped Operational Guidelines (**ROG**), issued under the PM Yojna. But, the respondent – State, which is representing the interests of the farmers under the aforesaid MOU and GR, insists that a further payment equivalent to the aforesaid amount, is due and payable to the farmers under the ROG. In other words, according to the respondent – State, the petitioner – insurance company has paid only 50% of the amount due and payable. The petitioners in the PIL, who are farmers, are essentially supporting

the stand of the State and they have prayed for a direction to the petitioner – insurance company, to pay the aforesaid balance amount with interest.

4. In fact, the trigger for the insurance company, to file the writ petition, were notices issued by the respondent – officers of the State, purportedly exercising the powers under the provisions of the Maharashtra Land Revenue Code, 1966 (hereinafter '**the MLR Code**"), seeking to recover the aforesaid amount towards arrears of land revenue and in the process, issuing directions for even freezing the bank account of the petitioner – insurance company.

5. One of the grounds raised on behalf of the petitioner – insurance company, pertains to lack of jurisdiction in the Officers of the respondent – State, in issuing the impugned communications and orders, on the basis that the alleged amount due cannot be recovered as arrears of the land revenue under the MLR Code. It is contended that the said amount is not covered under the definition of 'land revenue' under section 2(19) of the MLR Code and, hence, the impugned communications / orders are rendered without jurisdiction. It is this ground that impressed the Division Bench of this Court, to grant stay to the impugned order of the Collector dated 18.11.2022, by order dated 30.11.2022, while issuing notice in the writ petition.

6. The learned counsel for the rival parties have made elaborate submissions pertaining to the applicability of the MLR Code, as also interpretation of the ROG issued under the PM Yojna, in the backdrop of the Government Resolution dated 29.06.2020 and the MOU dated 27.07.2020, executed between the petitioner - insurance company and the respondent – State. But, before adverting to the rival submissions, it would be necessary to refer to the chronology of events in the present case.

CHRONOLOGY OF EVENTS :-

7. Respondent no. 4 – Union of India, through its Department of Agriculture and Farmer's Welfare under the Ministry of Agriculture, introduced the aforesaid PM Yojna, effective from Kharif season of 2016, in order to provide crop insurance to the farmers in India against non-preventable natural risks or calamities from pre-sowing to post-harvesting stage. In order to effectively implement the PM Yojna, operational guidelines were issued. Based on the experiences of implementing the PM Yojna between 2016 and 2018 and upon receiving feedback from all the stakeholders, the aforesaid Revamped Operational Guidelines (ROG) were issued effective from Kharif – 2020. It is undisputed that the controversy in the present case, is covered under the aforesaid ROG, issued under the PM Yojna.

8. In the light of the aforesaid, respondent – State of Maharashtra issued Government Resolution dated 29.06.2020, under the PM Yojna for a period of three years from Kharif 2020 and Rabi 2020-2021. The said Government Resolution specified the manner in which the PM Yojna, in the light of the ROG, would be implemented in the State of Maharashtra. In this backdrop, in June – 2020, the respondent – State floated tenders for appointing insurance companies for implementation of the crop insurance schemes, commencing from Kharif – 2020. The petitioner – insurance company submitted its bid alongwith other insurance companies and its bid was accepted for District - Osmanabad (now Dharashiv) for three years from Kharif – 2020.

9. On 27.07.2020, the aforesaid MOU was executed between respondent – State and the petitioner – insurance company, under the PM Yojna, for insuring farmers for the notified crops in the notified area for three years beginning from Kharif – 2020. It is undisputed that the notified crop in the present case, was soyabean crop and the notified area covered was Cluster no. 10 for the District of Osmanabad. As per the PM Yojna, read with the aforesaid GR dated 29.06.2020, the farmers paid a small share of the premium towards the insurance cover, while the State Government alongwith the Central Government

paid the maximum share to the petitioner – insurance company. The present case concerns Kharif season – 2021 and for the same, from time to time, amounts were paid towards premium to the insurance company, about which there is no dispute.

10. On 06.08.2021, respondent no. 2 - the Commissioner of Agriculture for the State of Maharashtra issued district-wise calender for the season of Kharif – 2021, as per the PM Yojna. The said crop calender, is a significant document as the interpretation of the ROG under the PM Yojna for deciding the claims of farmers depends upon the data specified in such a crop calender. The crop calender issued by the Commissioner of Agriculture, specified the notified dates for crops such as Soyabean crop for various districts, including District - Osmanabad, with which we are concerned in the present case. The notified dates specified the period of sowing and harvesting. Considering the controversy in the present case, the notified dates / period for soyabean crop in the District of Osmanabad are relevant. The crop calender shows that the notified period for harvesting in the present case, was between 15.10.2021 and 15.11.2021.

11. It is relevant to note here that the ROG under the PM Yojna, specifically refers to Crop Cutting Experiments (CCEs), that were required to be conducted by the concerned Officials of the State

in the presence of and with active participation of the Officials of the insurance company, to prepare database regarding yield of crops during the relevant season. The ROG specified the use of latest and modern technology, including using drones, satellite imaging etc. alongwith ground level CCEs, to ensure reliable data being available for ascertaining the extent of loss, if at all, for payment of dues to the farmers as per the insurance cover. The CCEs were undertaken upon beginning of the harvesting season in connection with respective crops, which in this case, was the crop of Soyabean.

12. The petitioner – insurance company asserts that on 17.09.2021, the actual harvesting season of Soyabean crop started in District – Osmanabad and it continued till 11.11.2021. The petitioner – insurance company specifically relies upon documents on record to show that the first CCE was conducted on 17.09.2021, emphasizing that the relevant document on record shows the signatures of the concerned State Government Officials, demonstrating that the harvesting had actually begun. The documents on record show that between 23.09.2021 to 10.10.2021, there were unseasonal rains in District – Osmanabad and in this backdrop, the farmers submitted their claims / intimations regarding damage to the Soyabean crop. The claims / intimations were received by the petitioner as regards the localized calamity and there is no dispute about the same. The

expression ‘localized calamity’ is specified in the ROG, to which detailed reference will be made in this judgment at the time when the rival submissions are referred to and considered.

13. In this backdrop, on 01.10.2021, a meeting was held in the office of the respondent – Commissioner of Agriculture, to take action for payment of the amounts. In the light of claims made by the farmers, various aspects were discussed, including determination of the input costs of the farmers. It was also observed that sample survey should be conducted as per the ROG, for determination of compensation and if the crops had been harvested by the farmers, the compensation would be determined accordingly, as per the relevant clause of the ROG.

14. On 24.10.2021, a review meeting was held by respondent – Collector and in the light of the lack of staff in certain talukas of District – Osmanabad, it was recommended that the survey should be conducted on sample basis instead of individual basis. On 25.10.2021, the respondent – Collector sent a letter to the petitioner – insurance company, to conduct sample survey for assessing losses due to localized calamity that occurred from 23.09.2021 to 10.10.2021. Accordingly, a joint sample survey was conducted and the report was signed on 27.10.2021, by the representative of the petitioner –

insurance company as well as the Officers of the respondent – State. In November / December – 2021, the petitioner – insurance company disbursed an amount of Rs.374.61 Crores to the farmers. This amount was calculated and disbursed by applying clause 25.5.10 of the ROG. It is the applicability of the said clause, that goes to the root of the controversy in the present case.

15. The respondent – State received number of complaints from farmers that the petitioner – insurance company did not satisfy the entire insurance claims. The District Level Grievance Committee, constituted under the aforesaid Government Resolution, dated 29.06.2020, considered the complaints received from the farmers. It was opined that the petitioner – insurance company had paid only 50% of the amount due towards the claims of the farmers and that the remaining 50% amount ought to be paid within 8 days. The respondent – State and the District Level Grievance Committee proceeded on the basis that in the facts and circumstances of the case, the entire claims of the farmers ought to have been paid on the basis of the sample survey and, therefore, the remaining amount was immediately due and payable.

16. On the other hand, the petitioner – insurance company proceeded on the basis that the claims of the farmers were to be paid

under clause 25.5.10 of the ROG, by treating the losses, as having occurred due to localized calamity which was within 15 days of the normal harvesting and hence, it was to be paid on the sample survey and the CCEs with 50 : 50 weightage. According to the insurance company, since the CCE yield data shared by respondent no. 2 on 16.12.2021, with regard to Soyabean crop of Osmanabad District for Kharif season – 2021, showed that the farmers had not suffered any actual loss in yield, no further amount was payable. The aforesaid assertion of the petitioner – insurance company was based on CCE data showing that the actual yield of Soyabean in District – Osmanabad for Kharif season – 2021, was more than the threshold yield, thereby showing absence of actual loss. The threshold yield is notified in the tender document.

17. At this stage, on 20.12.2021, the respondent – Collector issued notice to the petitioner – insurance company, to show cause as to why the compensation was paid to the farmers only to the extent of 50% of their claims. On 17.01.2022, the petitioner – insurance company sent its reply, explaining why only 50% payment was made, by placing reliance on clause 21.5.10 of the ROG. The petitioner – insurance company stated that since the localized calamity had occurred during the harvesting period, the aforesaid clause was clearly applicable, particularly, when the normal harvest had begun on

17.09.2021, even as per the CCE record supplied by the respondent – State itself.

18. In this backdrop, on 11.02.2022, a meeting of the District Level Co-ordination Committee was held and the petitioner – insurance company was specifically directed to pay the remaining 50% amount to the farmers immediately.

19. On 31.05.2022, a meeting of the District Level Grievance Committee was held, wherein the representative of the petitioner – insurance company was also present. In this meeting, the assertion of the insurance company, by placing reliance on clause 21.5.10 of the ROG, was rejected and it was directed to pay the remaining amount within 8 days directly to the farmers, failing which the matter would be placed before the Divisional Grievance Redressal Committee.

20. On 22.08.2022, the Divisional Grievance Redressal Committee, directed that the claims of the farmers were to be considered only as per dates mentioned in the crop calender and, therefore, the balance 50% amount of Rs.374.34 Crore, should be disbursed to the farmers.

21. In this backdrop, on 20.09.2022, respondent – Collector issued a letter to the petitioner – insurance company, to immediately

deposit the said remaining amount, failing which legal action would be taken against the insurance company.

22. On 12.10.2022, the respondent – Collector issued another letter to the petitioner – insurance company, reiterating the direction for payment of the remaining 50% amount, threatening that if the amount was not paid, action would be initiated under section 188 of the Indian Penal Code.

23. On 26.10.2022, respondent – Collector issued legal notice to the petitioner – insurance company, for making balance payment of 50% amount. On 01.11.2022, the petitioner – insurance company approached the Chief Executive Officer of the PM Yojna, asking for an opinion and seeking intervention in the matter, particularly, with regard to its assertion about applying clause 21.5.10 of the ROG, in the facts and circumstances of the present case.

24. On 02.11.2022, the respondent – Collector again issued notice to the petitioner – insurance company, reiterating direction to deposit 50% balance amount for payment to farmers, failing which action would be taken under the MLR Code.

25. On 16.11.2022, respondent no. 2 – Commissioner of Agriculture as well as respondent no. 3 – Collector sent a

communication to the petitioner – insurance company, threatening action under sections 183 to 186 of the MLR Code, for recovering the amount of Rs.374.34 Crores, as arrears of land revenue.

26. On 18.11.2022, the respondent – Collector issued warrant of attachment and directed CITI bank (banker of the petitioner – insurance company), to freeze the bank account of the petitioner, to the extent of Rs.374.34 Crores under section 180 of the MLR Code read with Rule 9 of the Maharashtra Realisation of Land Revenue Rules, 1967 (**Rules**).

27. On 24.11.2022, the respondent – Union Of India, in response to the letter dated 01.11.2022, sent by the petitioner – insurance company, to the Chief Executive Officer of the PM Yojna, sent a letter, directing the petitioner – insurance company, to approach the State Technical Advisory Committee (**STAC**) under the ROG for issues relating to computation of the monetary claims.

28. It is in this backdrop, that on 28.11.2022, the petitioner – insurance company filed the writ petition, challenging the impugned notices / communications sent by the respondent nos. 2 and 3 dated 31.05.2022, 20.09.2022, 12.10.2022, 26.10.2022, 02.11.2022 and 16.11.2022. The petitioner – insurance company prayed for urgent stay of the said communications, particularly, the communication dated

18.11.2022, whereby the respondent no. 3 – Collector sought to freeze the bank account of the petitioner – insurance company for the said amount of Rs.374.30 Crores under section 180 of the MLR Code read with the aforesaid rules.

29. On 30.11.2022, a Division Bench of this Court, considered the rival submissions and while issuing notice, found a *prima facie* case in favour of the petitioner, to the effect that the direction issued by respondent no. 3 – Collector to the banker of the petitioner – insurance company, to freeze the account, could be said to be without jurisdiction. It was found that a *prima facie* case was made out for the reason that unless the respondent – State was able to demonstrate that the MOU, which was a contract of insurance, provided for and vested power in the respondent – Collector to invoke the provisions of the MLR Code, the impugned communications appeared to be without jurisdiction. Hence, while issuing notices to the respondents, as per the said order dated 30.11.2022, the direction issued by respondent no. 3 – Collector for freezing the bank account of the petitioner, was stayed. The said interim order continued to operate during the pendency of the present proceedings.

30. Subsequently, the aforesaid PIL was filed by certain farmers, praying for direction to the petitioner – insurance company, to

pay the said amount of Rs.374.34 Crores. The PIL petitioners have supported the stand of the respondent – State, in the present proceedings.

31. The respondent – State filed an application for vacating the interim order and at one stage, it was submitted that such unconditional interim order could not have been granted. Considering the said application, the writ petition and the PIL were taken up for hearing and disposal. In this backdrop, all the submissions of the rival parties were taken up for consideration.

SUBMISSIONS :

A) Submissions on behalf of the petitioner – Insurance Company :

32. Mr. Sharan Jagtiani, learned Senior Counsel appearing for the petitioner – insurance company made elaborate submissions on the aforesaid ROG framed by the respondent – Union of India, under the PM Yojna, emphasizing on the clauses pertaining to CCEs, cover of risks and exclusions, particularly those pertaining to add-on cover focused on localized calamities. Much emphasis was placed on clause 21.5.10 of the ROG, on which the petitioner – insurance company has relied, from the beginning of the controversy. Submissions were also made on the provisions of the MLR Code and an endeavour was made

to convince this Court about the fallacy in the stand taken by the respondent – State.

33. It was submitted on behalf of the petitioner - insurance company that the ROG framed under the PM Yojna, was a comprehensive and complete code, providing a framework on pan India basis for disbursement of amounts payable to insure the farmers as per the scheme contemplated under the PM Yojna. Reference was made to clauses of the ROG, providing for the manner in which the CCEs were to be conducted by the Officers of the respondent - State with active involvement of the representatives of the insurance company. It was indicated that CCEs formed an integral part of the entire scheme, for the reason that the data obtained upon such CCEs being conducted provided the basis for correct calculation of amounts due and payable to the insured farmers. Attention of this Court was invited to clauses pertaining to basic cover and add on cover for the insured farmers, with particular emphasis on localized calamities.

34. It was submitted that the principle of area approach was adopted in the ROG and that threshold yield was noted in the tender document itself of the particular season, which was to be used for calculation of claims for that particular season. It was brought to the notice of this Court that average yield of an individual crop in an

insured unit was the average yield on the basis of 5 years out of the last 7 years and that threshold yield was equal to the average yield multiplied by the indemnity level. It was emphasised that the threshold yield, which was calculated on the historical yield on the basis of 5 years out of the last 7 years, once notified by the respondent – State, would not change under any circumstances. Thereupon, reference was made to two stage yield estimation procedure and the time of occurrence of calamities or unforeseen events like cyclone, flood, unseasonal rains etc. After referring to the clauses pertaining to the risks at the time of sowing, mid-season adversity and post harvest losses, special emphasis was placed on the clauses pertaining to localized calamities and the loss estimation procedure concerning the same.

35. Learned Senior Counsel appearing for the petitioner - insurance company submitted that even the State did not dispute the fact that in the present case the localized calamity in the form of unseasonal rain occurred between 23.09.2021 and 10.10.2021. It was submitted that the documents and material on record, which were not disputed by the respondent - State, showed that the harvesting of Soyabean crop in District – Osmanabad commenced on 17.09.2021 and that it continued till 11.11.2021.

36. Reference was made to the documents pertaining to CCE data. It was emphasized that once this position is established, clause 21.5.10 of the ROG applied to the facts of the present case. The said clause was read in detail and it was submitted that the table in clause 21.5.10 at serial no.1 consists of two parts. The first part pertains to the date up to which intimation about occurrence of localized calamity was to be given, supported by specific documents and that the second part clearly specified the circumstances in which the estimation of losses due to occurrence of the localized calamity would be assessed, based on the components of sample surveys and CCEs with 50 : 50 weightage. Much emphasis was placed on the fact that the aforesaid first part of the clause referred to the harvesting date as notified in the State notification, while the second part referred to ‘normal harvest’.

37. It was submitted that the date specified in the crop calender by the respondent – State, regarding harvesting, was from 15.10.2021 up to 15.11.2021, but the expression ‘normal harvest’ was nowhere defined in the ROG. It was submitted that, therefore, ‘normal harvest’, would mean the actual harvesting of the notified crop in the relevant season.

38. In this context, much emphasis was placed on document at **Exhibit – H,** being the document dated 17.09.2021 signed by the Talathi, showing that CCE was undertaken from 17.09.2021 onwards. It was submitted that the aforesaid document issued by the Official of the respondent - State itself demonstrated that the actual harvesting in District Osmanabad began at least from 17.09.2021 for Soyabean crop and that this signified the ‘normal harvest’.

39. Much emphasis was placed on the fact that the Officials of the respondent - State in various communications on record admitted that the localized calamity of unseasonal rains occurred between 23.09.2021 to 10.10.2021, thereby showing that the losses due to occurrence of such localized calamity were within 15 days of ‘normal harvest’, which commenced on 17.09.2021 and, therefore, the second part of clause 21.5.10 applied with full force. On this behalf, it was submitted that the estimation of losses had to be based on combination of sample survey and CCEs with 50 : 50 weightage. It was submitted that the petitioner - insurance company had admittedly paid 50% amount towards the claims of the farmers based on the sample survey amounting to Rs.374,63,93,634/- and that the remaining 50% amount was required to be paid, based on the CCEs showing actual loss to the farmers.

40. At this stage, the learned Senior Counsel appearing for the insurance - company invited attention of this Court to **Exhibit - L** filed with the petition. The said Exhibit is a communication dated 16.12.2021 sent by the Chief Statistician, Commissionerate of Agriculture to the Regional Manager of the insurance company, giving the data of threshold yield and the actual yield pertaining to the notified crop of Soyabean for the entire 42 circles of District - Osmanabad. It was submitted that the actual yield was higher than the threshold yield in all the circles, thereby demonstrating that the farmers had not suffered any actual loss as per the CCE data. On this basis, it was submitted that by operation of clause 21.5.10.1, (for the sake of convenience, the first clause in the table is shown as a further sub-clause to clause 21.5.10) no further amount was payable by the petitioner - insurance company. It was emphasised that this stand was taken by the petitioner - insurance company right from the beginning before the respondent authorities and the District Level Grievance Committee as well as the Divisional Level Grievance Committee completely failed to appreciate the same.

41. It was submitted that the respondent - State was not justified in ignoring the CCE data by claiming that the expression ‘normal harvest’ used in the second part of clause 21.5.10.1 was

nothing but the notified date as per the crop calender for harvesting i.e. 15.10.2021. It was submitted that the crop calender, being a document issued by the respondent – State, could not be the basis to interpret the expression 'normal harvest', as the said expression formed part of the ROG, which was issued by respondent - Union of India under the PM Yojna. It was submitted that the use of expression "***सर्वसाधारण कापणी कालावधी***" in the crop calender issued by the respondent - State specified the notified harvest dates beginning from 15.10.2021 and that even if the word '***सर्वसाधारण***' was used, it would not denote 'normal harvest', as contemplated in the second part of clause 21.5.10.1 of the ROG. It was submitted that the contention raised on behalf of the respondent - State was anomalous, for the reason that the first part of the said clause used the distinct expression **'**harvest date**'** as notified in the State notification, as opposed to the expression 'normal harvest', used in the second part. On this basis, it was submitted that no fault can be found with the stand taken by the petitioner - insurance company, right from the beginning on the basis of the ROG framed under the PM Yojna.

42. As regards the significance of the CCE, it was submitted that the respondent - State itself had taken a stand that estimation of loss based on CCE was a foolproof system, which was time tested and

well established, as recorded in the judgments of this Court in the case of ***Libaraj V. State of Maharashtra; 2015 SCC OnLine Bom 3349***; and ***Ter Large Size Multipurpose Co-opeartive Society Ltd. Vs. Union of India -*** order dated 02.12.2010 passed in writ petition no. 973 of 2004 with connected writ petitions.

43. Learned Senior Counsel appearing for the petitioner - insurance company referred to the clauses pertaining to the other stages i.e. stage of ‘sowing’, and ‘mid-season adversity’, only with a view to explain the manner in which clause 21.5.10.1 of the ROG, was to be interpreted by applying the same to the facts of the present case. It was also brought to the notice of this Court that the respondent - Union of India, in its reply affidavit, had categorically stated that if the harvest of the crop had already begun when localized calamity occurred, clause 21.5.10.1 would indeed apply.

44. It was submitted on behalf of the petitioner - insurance company that the District Grievance Redressal Committee had no jurisdiction, for the reason that the relevant clause of the ROG specified that such committee would have jurisdiction only up to Rs.25,00,000/-. As the said Committee did not have pecuniary jurisdiction, the directions issued by the Committee were rendered unsustainable. It was submitted that the ROG did not provide for any

Divisional Level Grievance Redressal Committee and it was only Government Resolution dated 29.06.2020 that provided for the same, which further demonstrated anomaly in the implementation of the PM Yojna by inclusion of such a Committee in the afore-mentioned Government Resolution.

45. On this basis, it was submitted that the impugned actions of the District Committee deserved to be set aside. It was also submitted that the respondent - Union of India, through the CEO of the PM Yojna misunderstood the grievance of the petitioner - insurance company, directing it to approach the STAC, for the reason that the petitioner - insurance company had not disputed the yield data, but the question was with regard to the applicability of clause 21.5.10.1, in the facts and circumstances of the present case.

46. Learned Senior Counsel for the petitioner - insurance company also referred to the relevant clauses of the ROG, pertaining to the input costs, as a factor for determining the amount payable to the farmers. It was submitted that the respondent - State was not justified in relying upon certain communications and documents on record to claim that the petitioner had conceded to total loss of the crop as the crop had reached full grown stage when the localized calamity occurred. In the facts of the present case, it was submitted that the

harvesting activity had already begun when the localized calamity struck and, therefore, the CCE data assumed significance.

47. It was submitted on behalf of the petitioner - insurance company that in any case, the impugned communications and orders passed by the respondent – authorities, by invoking the provisions of the MLR Code were wholly without jurisdiction. Attention of this Court was invited to the provisions of the MLR Code, particularly, section 2(19), and Chapter XI thereof, starting with section 168 pertaining to liability for land revenue.

48. It was submitted that the amount claimed in the present case, cannot be covered under the definition of ‘land revenue’, as per section 2(19) of the MLR Code, as it was not an amount legally claimable by the respondent - State, that the claim was clearly not on account of any interest in the land and it was not a sum or payment under a contract or deed on account of any land. It was emphasized that the amount in the present case forms part of an insurance contract, wherein the claimants and the beneficiaries are the farmers.

49. It was further submitted that Chapter XI of the MLR Code pertaining to realization of land revenue and other revenue demands would also not apply, considering the specific stipulation in section 168

of the MLR Code, pertaining to the liability for land revenue. On this basis, it was submitted that there was no way in which the respondent – State, could take recourse to section 180 of the MLR Code for issuing the impugned communication or attachment order for freezing the bank account of the petitioner - insurance company. It was emphasized that none of the relevant documents i.e. ROG issued under PM Yojna, Government Resolution dated 29.06.2020 and the MOU dated 27.07.2020, stipulated that amount due under the said insurance contract, would be recoverable as arrears of land revenue.

50. On this basis, it was submitted that the respondent - authorities including the respondent – Collector, could not have taken recourse to the MLR Code, for issuing the impugned communications and hence, the entire actions are rendered without jurisdiction, thereby justifying invocation of writ jurisdiction on the part of petitioner - insurance company.

51. In this regard, reliance was placed on the judgments of this Court in the cases of ***Maharashtra Rajya Macchimar Sahakari Sangh Ltd. Vs. State of Maharashtra and others; 2005 (2) Mh.L.J. 1142; IDBI Trusteeship Services Ltd. V. District Collector and others; 2021 SCC OnLine Bom 929.***

52. Since a specific query was put by this Court that even if the contention regarding the impugned action of the respondent being without jurisdiction, was to be accepted, whether the respondent - State could institute other proceedings like filing a suit before the civil Court, as disputed questions of facts could be said to be involved, learned Senior Counsel appearing for the petitioner - insurance company submitted that there is no disputed question involved in the present case. In this regard, emphasis was placed on the fact that the CCE data, upon which the petitioner - insurance company heavily relies for applicability of clause 21.5.10.1 of the ROG, has been provided by the respondent - State itself and, therefore, there is no question of any dispute in that regard.

53. Even the assertion of the petitioner - insurance company that harvesting began at least from 17.09.2021, is not disputed, as the document issued by the respondent - State itself shows that CCEs commenced on 17.09.2021 with regard to the notified Soyabean crop in District - Osmanabad. The communication sent by the Official of the respondent – State, also categorically stated that the localized calamity occurred between 23.09.2021 to 10.10.2021 and, hence on this score, there is no disputed question of fact. On this basis, it was submitted that the controversy in the present case, was limited to the applicability

of clause 21.5.10.1 of the ROG and this Court, exercising writ jurisdiction, is the proper forum where such a controversy can be put to rest. In this regard, reliance was placed on judgment of the Supreme Court in the case of ***A.P. Electrical Equipment Corporation V. Tahsildar and others; 2025 SCC OnLine SC 447***.

54. In this backdrop, learned Senior Counsel appearing for the petitioner - insurance company submitted that since everything turned on the applicability of the said clause, and interpretation of the provisions of the MLR Code, the writ petition is clearly maintainable. It was submitted that reliance placed on behalf of the respondent - State on section 2(16) of the MLR Code, which defines 'land', is also misplaced as the settled position of law with regard to use of the words 'means' and 'includes', has been overlooked by the respondent – State. In this context, reliance was placed on judgments in the cases of ***Hamdard (Wakf) Laboratories Vs. Dy. Labour Commissioner and others; (2007) 5 SCC 281***, ***Shabina Abraham and others V. Collector of Central Excise and Customs; (2015) 10 SCC 770*** and ***P. Kasilingam and others V. P.S.G. College; 1995 Supp(2) SCC 348.***

55. Learned Senior Counsel appearing for the petitioner - insurance company also referred to and relied upon a letter dated 25.07.2025 sent by the Additional Commissioner (Crop Insurance) of

the Ministry of Agriculture in the respondent - Union of India, to the Additional Chief Secretary, Agriculture and Farmers Welfare Department of the Government of Haryana, wherein in an identical controversy, the said officer of the Union of India, specifically directed that if the harvest had already begun in a district before occurrence of a localized calamity, clause 21.5.10 of the ROG would be applicable. On the basis of the said communication, it was submitted that the said interpretation and policy of the respondent - Union of India ought to apply pan India and, therefore, this further bolsters the contentions raised on behalf of the petitioner.

56. As regards the PIL, it was submitted on behalf of the petitioner - insurance company, that the contentions raised are identical to the submissions made on behalf of the respondent - State and, therefore, the PIL also does not deserve any consideration. As regards reliance placed on judgment of this Court in **PIL no. 91 of 2021** (***Prashant S/o Achyutrao Lomate and another Vs. Union of India and others with connected writ petition, dated 06.05.2022***), it was submitted that the same was misplaced, simply for the reason that the controversy therein pertained to the alleged failure of the farmers in individually intimating losses within 72 hours of the date of the incident. It was submitted that the nature of the controversy in the said PIL, was

completely different and merely because the petitioner - insurance company happened to be a respondent in the said PIL, it cannot lead to any adverse inference in the present case.

57. On the basis of the aforesaid elaborate submissions, learned Senior Counsel for the petitioner submitted that the writ petition deserved to be allowed in terms of the prayers made therein and that the PIL deserved to be dismissed.

B) <u>Submissions on behalf of the respondent - State</u> :

58. Mr. R.N. Dhorde, learned Senior Counsel appearing for the respondent - State vehemently opposed the submissions made on behalf of the petitioner - insurance company, contending that they were based on a complete misinterpretation of the scheme framed under the PM Yojna for crop insurance. It was submitted that the petitioner - insurance company had received entire premium and when the time came for honouring its part of the insurance contract, it illegally refuted the just claims of the farmers. It was submitted that after the claims were lodged by the farmers, and the same were being processed, the petitioner - insurance company itself had conceded that the notified crop had reached the level of maturity and harvesting when the localized calamity struck and it even agreed for the claims to be

processed on the basis of 85% input costs. In fact, 100% input costs should have been applied.

59. Occurrence of the localized calamity in the present case, had to be appreciated and applied by treating the harvest date as specified in the crop calender, which was nothing but the harvest date as notified in the said notification contemplated under clause 21.5.10.1 of the ROG. Once this is understood, the fallacy in the contention raised on behalf of the petitioner - insurance company becomes clear. By referring to the entire scheme as per the ROG issued under the PM Yojna, it was submitted that there was no scope for denying the farmers of their just claims for payment of the balance 50% amount. Since the localized calamity had admittedly occurred between 23.09.2021 to 10.10.2021, and the normal harvest as per the crop calender issued by the respondent – State was 15.10.2021, the losses suffered by the farmers had to be assessed by the sample survey and not on a combination of sample survey and CCE with 50 : 50 weightage. In the facts and circumstances of the present case, CCE had no role to play and, therefore, the data on which the petitioner - insurance company is harping, cannot even be looked at.

60. Learned Senior Counsel appearing for the respondent - State was at pains to point out that the present case was a case of total

loss of the crops and hence 100% amount of claims on sample survey basis, were required to be paid by the petitioner - insurance company. By referring to the contents of clause 21.5.10 of the ROG, it was submitted that the whole procedure of processing the claims and making payments, was to be completed as per schedule and in any case, within the outer limit of 39 days. The petitioner - insurance company clearly violated the mandate under the said clause of the ROG, by withholding 50% amount of the claims of farmers and the said amount ought to be paid with penal interest to the farmers.

61. It was emphasized that the petitioner - insurance company never disputed the crop calender and fixing of the date of 15.10.2021, as the date of beginning of the harvesting season. Since no dispute was raised, the fact that the localized calamity occurred on 23.09.2021, had to be taken to its logical end, thereby demonstrating that the balance 50% amount was clearly payable and that too within the schedule specified as per clause 21.5.10 of the ROG. Reference was made to the random sample survey jointly carried out and the effect of the same upon the quantum of amount payable as per the insurance contract.

62. It was further emphasized that the ROG, read with Government Resolution dated 29.06.2020, provided for a complete

code, including a Grievance Redressal Mechanism. It was submitted that the petitioner - insurance company clearly had an alternative remedy of approaching the State Level Grievance Redressal Committee, to challenge the impugned communications and yet, it failed to do so, directly invoking writ jurisdiction of this Court. It was submitted that the constitution of the Divisional Level Grievance Committee in the Government Resolution could not be said to be anomalous, simply for the reason that it does not violate the PM Yojna.

63. In any case, the contention regarding the impugned communication / order passed by the District Level Grievance Committee being without jurisdiction, was clearly misplaced, for the reason that pecuniary jurisdiction would have to be analyzed by considering each individual claim of the farmer. Upon such interpretation, the individual claims of the farmers being less than Rs.25 Lakhs, there was no question of lack of any pecuniary jurisdiction with the District Level Grievance Committee. It was submitted that the District Committee had formed an opinion and the same was placed before the Divisional Level Grievance Committee, which issued the impugned order strictly in accordance with law. On this basis, it was submitted that the petitioner ought not have filed the

writ petition directly before this Court, without first exhausting the alternative remedies provided in the ROG under the PM Yojna.

64. It was further submitted that the petitioner - insurance company itself had approached the respondent - Union of India through the CEO under the PM Yojna. The said authority directed the petitioner - insurance company to approach the STAC. Instead of doing so, the petitioner - insurance company directly filed the present writ petition and on this ground also, the writ petition deserved to be dismissed. By referring to clauses 21.5.8.6 and 21.5.8.7, it was emphasized that the petitioner - insurance company was required to disburse the claim within 15 days of the receipt of the loss assessment report. The aforesaid timeline was violated by the petitioner - insurance company and, therefore, this Court ought not to grant any relief in the Writ Petition.

65. Learned Senior Counsel for the respondent – State then referred to documents placed on record in the PIL, by way of an additional affidavit. These documents pertain to the proceedings before the State Level Grievance Redressal Committee and the STAC concerning identical issue with regard to the applicability of clause 21.5.10 of the ROG. It was submitted that in identical circumstances,

the said State Level Committees had categorically rejected the contention pertaining to the expression ‘normal harvest’ in the said clause and it was emphatically held that the date specified in the crop calender was the only date for reference while applying the said clause 21.5.10, for assessing the claims of farmers in the context of localized calamity. Hence, it was submitted that the contention now sought to be raised on behalf of the petitioner seeking to make a distinction between date of harvesting specified in the crop calender from ‘normal harvest’, cannot be entertained and that such a contention is raised by the petitioner - insurance company in a dishonest manner, only with the intention to wriggle out of its liability under the insurance contract.

66. The learned Senior Counsel appearing for the respondent - State referred to the contents of the MOU dated 27.08.2020 and emphasized upon the fact that the same was executed between the State in the name of the Honourable Governor and the petitioner - insurance company. The MOU specifically authorized the department of Agriculture of the respondent – State, to perform its role on behalf of the insured farmers, so that their interests were appropriately protected. It was submitted that the interpretation of the provisions of the MLR Code would have to be considered in that backdrop,

particularly when the interest of the farmers is to be protected to further the object of the PM Yojna in terms of the ROG framed thereunder.

67. The learned Senior Counsel appearing for the respondent - State further submitted that the definition of ‘land revenue’ under section 2(19) of the MLR Code had to be appreciated alongwith the definition of ‘land’ in section 2(16) thereof. Much emphasis was placed on the words ‘land includes benefits to arise out of land and things attached to the earth, ……’.

68. A conjoint reading of the definition of ‘land’ with ‘land revenue’, according to learned Senior Counsel appearing for the respondent – State, sufficiently demonstrates that the amount claimed in the present case was clearly payable under the contract i.e. the MOU on account of the benefits arising from the land. It was submitted that since the MOU itself specified that the respondent - State would partly pay the premium towards the insurance contract and it would also take all necessary steps for payment of the claims of the farmers, the invocation of the provisions of the MLR Code was justified for issuing impugned communications and directions.

69. In support of the said contention, the learned Senior Counsel appearing for the respondent - State relied on the judgment of

the Supreme Court in ***M/s. R.S. Rekchand Mohota Spinning and Weaving Mills Ltd. Vs. State of Maharashtra; AIR 1997 SC 2591***, to particularly emphasize the rule of interpretation, that words should be given their ordinary and grammatical meaning. Reliance was also placed on the judgment of the Supreme Court in ***The State of Bombay Vs. The Hospital Mazdoor Sabha; AIR 1960 SC 610***, to contend that where the Court is dealing with an inclusive definition, it would not be appropriate to put a restrictive interpretation upon the terms of wider denotation. If two or more words, which are susceptible of analogous meaning, are coupled together they are understood to be used in their cognate sense.

70. By placing reliance on the said judgments, learned Senior Counsel appearing for the respondent - State submitted that a conjoint reading of the definition of ‘land’ under section 2(16) and ‘land revenue’ under section 2(19) of the MLR Code, clearly demonstrated that the amount payable by the petitioner - insurance company could be recovered by taking recourse to the provisions of the MLR Code. It was submitted that once this is established, it cannot be said that the impugned communications / orders passed by the authorities of the respondent - State are without jurisdiction and this further demonstrates why the writ petition filed by the insurance company, is

not maintainable. On the basis of the aforesaid submissions, it was submitted that this Court may dismiss the writ petition and consider directing the petitioner - insurance company to immediately pay the balance amount as aforesaid alongwith interest at least @ 12% per annum.

(C) <u>Submissions on behalf of PIL Petitioners</u> :

71. Mr. V.D. Salunke, learned counsel appearing for the petitioners in the PIL, supported the contentions raised on behalf of the respondent - State. He submitted that the documents on record sufficiently demonstrated that the balance amount is clearly payable to the farmers. It was submitted that the entire premium was duly paid to the petitioner - insurance company and when the time came for honouring the commitment under the MOU, the petitioner - insurance company has deliberately raised technical objections based on misinterpretation of the clauses of the ROG.

72. In the past also, the petitioner - insurance company had indulged in such a conduct, due to which a PIL had to be filed. In the said petition, a Division Bench of this Court directed payment of the balance amount due and the Special Leave Petition filed against the said order, was dismissed. On this basis, it was submitted that the writ

petition ought to be dismissed and the PIL deserved to be allowed in terms of the prayers made therein.

CONSIDERATIONS AND FINDINGS :

73. In the light of detailed submissions of the rival parties recorded herein-above, various issues arise for consideration in these proceedings. The issues will have to be dealt with in detail and it would be appropriate to first refer to the issues and then render findings upon the same. It is necessary to first examine the basic contention raised on behalf of the petitioner - insurance company, that the impugned communications / orders issued by the respondent - authorities, including the Collector, under the provisions of the MLR code, can be said to be without jurisdiction. This is based on interpretation of the provisions of the MLR code. If this Court accepts the contention raised on behalf of the petitioner - insurance company, which, in fact, had led to the interim order being passed in these proceedings, the writ petition will have to be allowed on this ground alone.

74. It would not be appropriate for this Court to stop at that, for the reason that if the respondent - State is able to make out a case on merits with regard to further recovery of amount from the petitioner -

insurance company, liberty will have to be reserved for the respondent – State, to institute appropriate proceedings.

75. In this backdrop, this Court had put a pointed query to the learned counsel for the parties, as to whether disputed questions of facts are involved and if not, the merits of the matter could also be looked into and decided in writ jurisdiction itself. It is to satisfy the conscience of the Court with regard to the rival submissions made on the merits of the matter, that even if the findings on the first issue about the impugned orders or communications being without jurisdiction is held in favour of the petitioner - insurance company, this Court is inclined to render findings on the merits of the rival claims, essentially based on interpretation of the ROG under the PM Yojna. In the process, this Court would be considering the position of law and judgments referred to by the learned counsel for the rival parties.

76. In any case, the PIL specifically seeks a positive direction against the petitioner - insurance company, to pay balance 50% amount and, therefore, this Court would be considering and rendering findings on all the issues, upon which submissions have been made by the learned counsel for the parties. It would be appropriate to first consider the issue regarding the impugned orders / communications being without jurisdiction.

(i) <u>Whether the respondent - State authorities could have invoked the provisions of the MLR Code in this case</u> ?

77. A perusal of the prayer clause of the writ petition shows that the petitioner - insurance company is seeking quashing and setting aside of impugned orders / communications issued by the respondent - State authorities, whereby balance 50% amount is sought to be recovered from the petitioner - insurance company. The basis of the said impugned orders / communications, is that such alleged amount due from the petitioner - insurance company, is liable to be treated as arrears of land revenue. In this regard, it would be necessary to refer to the definition of 'land' and 'land revenue' under the MLR Code. Section 2(16) and 2(19) of the MLR Code read as follows :-

> ***2(16)*** *"land" includes benefits to arise out of the land, and things attached to the earth, or permanently fastened to anything attached to the earth, and also shares in, or charges on, the revenue or rent of villages, or other defined portions of territory;*
>
> ***2(19)*** *"land revenue" means all sums and payments, in money received or legally claimable by or on behalf of the State Government from any person on account of any land or interest in or right exercisable over land held by or vested, in him, under whatever designation such sum may be payable and any cess or rate authorised by the State Government under the provisions of any law for the time being in force ; and includes, premium, rent, lease money, quit rent, judi payable by a inamdar or any other payment provided under any Act, rule, contract or deed on account of any land;*

78. According to the respondent - State, the amount claimed from the petitioner - insurance company, is covered under the definition

of ‘land revenue’, particularly, in the light of the definition of ‘land’ under the MLR Code.

79. On the other hand, the petitioner - insurance company claims that such alleged amount due, can never be claimed as arrears of land revenue, for the reason that this is a pure and simple case of an insurance contract and even if the amount is sought to be claimed by the respondent - State, which is a party to the insurance contract, it can never be covered under the definition of ‘land revenue’.

80. In order to consider the rival submissions, it is necessary to peruse the definition of ‘land’ and ‘land revenue’ under the MLR Code, quoted herein-above. If the definition of ‘land revenue’ is broken down into simple terms, it consists of payments in money that can be legally claimed by or on behalf of the State government; such amount of money is claimed from a person on account of any rent or interest in land or right exercisable over land held by such person; such an amount can be cess, rate, premium, rent, lease money, quit, rent, *judi* payable under any Act, rule or contract or deed on account of any land.

81. Since, the word ‘land’ is used at various places in the said definition of ‘land revenue’, it would be appropriate to refer to the definition of ‘land’ under section 2(16) of the MLR Code. It is defined

as land itself and it includes benefits arising out of the land, things attached to earth or permanently fastened to the earth and also shares in or charges on, the revenue or rent of villages, or other defined portions of territory. Upon reading the definition of ‘land’ and ‘land revenue’, as defined in the MLR Code, for the respondent - State authorities, to successfully claim that they are entitled to resort to the same, and other provisions of the MLR Code, it will have to be demonstrated that the amount being claimed from the petitioner - insurance company falls within the four-corners of ‘land revenue’ read with definition of ‘land’.

82. The components of the definition of ‘land revenue’ broken down and noted herein-above, clearly show that such an amount must be legally claimable by or on behalf of the State Government. In the present case, even if the amount is found to be payable, under the MOU dated 27.07.2020 i.e. the insurance contract, it is payable to the individual farmers.

83. In fact, it is an admitted position that all payments under the said MOU, are made directly into the accounts of the individual farmers. It is a different matter that under the PM Yojna, the State Government and the Central government together do pay the majority share of the premium towards the MOU i.e. the insurance contract, the

beneficiaries are the farmers and not the State Government. Therefore, the said amount of money sought to be recovered by the respondent - State authorities, is not legally claimable by or on behalf of the State. On this score itself, the respondent – State, cannot claim that the alleged amount due from the petitioner - insurance company, can be said to be towards recovery of land revenue.

84. The next component of the definition necessarily requires that such an amount is legally claimable by the State Government from a person on account of any rent or interest in or right exercisable over land held by or vested in such a person. In the present case, the respondent - State authorities are claiming recovery of the amount from the petitioner - insurance company, essentially under the MOU, which is an insurance contract, read with ROG under the PM Yojna, but it certainly is not claimed from the petitioner - insurance company on account of any land held or vested in the insurance company.

85. In fact, it is not even based on any interest in land or right exercisable over such land by the petitioner - insurance company. On this score also, the contentions raised on behalf of the respondent - State must fail. The third component of the definition of ‘land revenue’ pertains to amount towards cess, rate, premium, rent, lease money etc. payable under any Act or rule, contract or deed on account of any land.

86. This Court finds that the aforesaid third component of the definition, cannot be divested from the first two components referred to herein-above. Therefore, on this basis itself, the contention raised on behalf of the respondent - State authorities, cannot be accepted. Even otherwise, in the facts of the present case, the respondent - State authorities can refer to only the MOU i.e. the insurance contract. But, the said MOU also does not concern land. It concerns insurance of crops under the PM Yojna. In any case, the MOU dated 27.07.2020 does not contain any clause that amount recoverable under the same, shall be treated as arrears of land revenue. In fact, neither the ROG under the PM Yojna nor the Government Resolution dated 29.06.2020 issued by the respondent - State Government under the PM Yojna anywhere provide for treating the amount due being recoverable as arrears of land revenue. Thus, even on this third and last score also, the contention on behalf of the respondent - State must fail.

87. An attempt was made on behalf of the respondent - State to claim that since definition of land under section 2(16) of the MLR Code includes benefits arising out of the land and crops could be said to be benefits arising out of lands, the MOU i.e. the insurance contract could be connected to the same and, therefore, the State authorities could resort to the provisions of the MLR Code. This Court finds such

contention not only stretching the definition of ‘land’ and ‘land revenue’, as found in the MLR Code, but also unsupportable by logic and basic principles of interpretation.

88. In this context, learned Senior Counsel appearing for the respondent - State, sought to rely upon judgments of the Supreme Court in the cases of :

i) ***M/s. R.S. Rekchand Mohota Spinning and Weaving Mills Ltd. Vs. State of Maharashtra*** (supra);

ii) ***The State of Bombay Vs. The Hospital Mazdoor Sabha*** (supra) and

89. On a reading of the said judgments, we are unable to agree that the ratio of the said judgments, can enure to the benefit of the respondent – State. On the other hand, we find that the observations made in the judgments of the Supreme Court in the cases of ***Hamdard (Wakf) Laboratories*** (supra), ***Shabina Abraham*** (supra) and ***P. Kasilingam*** (supra) militate against the contention raised on behalf of the respondent - State. It is reiterated in the said judgments that use of the word ‘means’ shows that the definition is a hard and fast definition and no other meaning can be assigned other than is shown in the definition, further indicating that it is exhaustive in nature.

90. Applying the same to the definition of expression of ‘land revenue’, under section 2(19) of the MLR Code, it becomes clear that

the use of the word ‘means’, at the very beginning of the definition, demonstrates that unless the respondent – State is able to satisfy this Court that the amount being claimed from the petitioner - insurance company is covered under the specific hard and fast definition of ‘land revenue’, it cannot proceed to treat the same as arrears of land revenue. In the light of the findings given herein-above, it is clear that the respondent - State has completely failed to satisfy the individual components of the definition of ‘land revenue’ and the same being put together, thereby demonstrating the fallacy in the approach of the respondent - State.

91. As regards judgments in the case of ***M/s. R.S. Rekchand Mohota Spinning and Weaving Mills Ltd. Vs State of Maharashtra*** (supra) and ***The State of Bombay Vs. The Hospital Mazdoor Sabha*** (supra), it is laid down therein that words should be given their ordinary, natural and grammatical meaning, with broad consideration and that where two or more words susceptible of analogous meaning are coupled together, they are to be understood to be used in their cognate sense. Perhaps the respondent - State has relied on the aforesaid judgments, to claim that the definition of ‘land’ under section 2(16) of the MLR Code needs to be understood in a broad sense, for the reason that the word ‘includes’ is used at the outset of the said

definition. But, even if the said position of law is to be applied, we find that the same cannot enure to the benefit of the respondent – State, to justify its recovery of the alleged amount due from the petitioner - insurance company, by resorting to the provisions of the MLR Code.

92. It is also relevant to note here that the respondent - State authorities have resorted to the provisions of Chapter XI of the MLR Code pertaining to realization of land revenue and other revenue demands. In fact, one of the impugned orders / communications for freezing the bank account of the petitioner - insurance company, was issued under section 180 of the MLR Code. A perusal of section 168 of the MLR Code, which is the first provision under Chapter XI thereof, shows that it pertains to liability for land revenue. The said provision reads as follows :

> ***168. Liability for land revenue.***—
>
> *(1) In the case of—*
> *(a) unalienated land, the occupant or the lessee of the State Government ;*
> *(b) alienated land, the superior holder ; and*
> *(c) land in the possession of tenant, such tenant if he is liable to pay land revenue therefor under the relevant tenancy law, shall be primarily liable to the State Government for the payment of the land revenue, including all arrears of land revenue, due in respect of the land. Joint occupants and joint holders who are primarily liable under this section shall be jointly and severally liable.*
>
> *(2) In case of default by any person who is primarily liable under this section the land revenue, including arrears as aforesaid, shall be recoverable from any person in possession of the land :*

> ***Provided that,*** *where such person is a tenant, the amount recoverable from him shall not exceed the demands of the year in which the recovery is made:*
>
> ***Provided further that****, when land revenue is recovered under this section from any person who is not primarily liable for the same, such person shall be allowed credit for any payments which he may have duly made to the person who is primarily liable, and shall be entitled to credit, for the amount recovered from him, in account with the person who is primarily liable.*

93. A bare perusal of the above quoted provision shows that in the facts of the present case, the amount allegedly payable by the petitioner - insurance company, is clearly not covered under sub-section (1) of section 168 of the MLR Code. The amount allegedly due is not at all relatable to clauses (a), (b) and (c) of sub-section (1) to section 168 of the MLR Code. Therefore, resorting to the said Chapter XI and the provisions contained therein, was not an option available to the respondent - State authorities, in the facts of the present case.

94. Section 169 of the MLR Code reads as follows :

> ***169. Claims of State Government to have precedence over all others.—***
>
> *(1) The arrears of land revenue due on account of land shall be a paramount charge on the land and on every part thereof and shall have precedence over any other debt, demand or claim whatsoever, whether in respect of mortgage, judgment-decree, execution or attachment, or otherwise howsoever, against any land or the holder thereof.*
>
> *(2) The claim of the State Government to any monies other than arrears of land revenue, but recoverable as a revenue demand under the provisions of this Chapter, shall have priority over all unsecured claims against any land or holder thereof.*

95. The respondent - State authorities were unable to demonstrate before this Court as to how the alleged amount due from the petitioner - insurance could even be covered under monies other than arrears of land revenue, but recoverable as revenue demand under the provisions of Chapter XI of the MLR Code. Once this becomes clear, it is evident that respondent - State authorities could not have resorted to the provisions of the said Chapter, including section 180 thereof.

96. In this context, observations made by Division Bench of this Court, after quoting section 169 of the MLR Code, in the case of ***IDBI Trusteeship Services Limited*** (supra) are of relevance and the same read as follows :

> *“23. The aforesaid Section makes a clear distinction between actual arrears of land revenue due on account of land, and amounts other than arrears of land revenue which are recoverable as arrears of land revenue under the MLRC. In the former case, the arrears of land revenue due on account of land, amount to a paramount charge on the land in question, which shall have precedence over all other debts. However, in the latter case, the claim of the State Government to monies recoverable as other than arrears of land revenue but in the same fashion, have priority only over unsecured claims and not over secured debts. Land revenue has been defined in Section 2(19) of the MLRC to mean, "all sums and payments, in money received or legally claimable by or on behalf of the State Government from any person on account of any land or interest in or right exercisable over land held by or vested in him, under whatever designation such sum may be payable and any cess or rate authorised by the State Government under the provisions of any law for the time being in force; and includes premium, rent, lease money, quit, rent, judi payable by a inamdar or any other payment provided under any Act, rule, contract or deed on account of any land;” Therefore, it is clear that land revenue means amounts payable to the State Government on account*

of land. In the present case, we are of the opinion that the amounts of compensation and interest which have been awarded by Respondent No. 9 against Respondent No. 4 and in favour of Respondent Nos.10 to 15 cannot be said to be actual arrears of land revenue. They are not dues payable to the State Government which arise out of any particular land. They are not even claims of the State Government. They are dues payable by a promoter of a real estate project to the flat purchasers under orders passed under the provisions of RERA. The mode of recovery of such amounts is the same as if they were arrears of land revenue under the MLRC. Hence these amounts clearly cannot be governed by Section 169(1) of the MLRC. Therefore, the claims of Respondent Nos. 10 to 15 as awarded by Respondent No. 9 cannot have priority over the properties of Respondent No. 4 in derogation of the Petitioner's secured interest therein. Having held that the Petitioner is a secured creditor of Respondent No. 4 and a Mortgagee in respect of the said Property under the Debenture Trust Deed, we find that the Petitioner has priority in respect of the said Property over the claims of Respondent Nos. 10 to 15. In other words, the Petitioner is entitled to have its debts satisfied out of the said Property in priority over Respondent Nos. 10 to 15.

***24**. The above finding is fortified by a similar finding of the Madhya Pradesh High Court in the case of State Bank of Indore vs. Regional Provident Fund Commissioner (supra) relied upon by the Counsel for the Petitioner. In that case, a mortgage deed was executed by a company, mortgaging its entire immovable property in favour of a bank. That company failed and neglected to pay the employer's contribution due from it under the Employees' Provident Funds Act, 1958. The State, pursuant to a provision in the Employees' Provident Funds Act, 1958 sought to recover the contribution as an arrear of land revenue under the Madhya Pradesh Land Revenue Code, 1959. Despite the bank informing the State of its prior registered mortgage over the property of the company, the State sold the property to recover the company's provident fund contribution as arrears of land revenue. The following observations were made by the Court while holding the sale to be bad in law:*

> *"5. In our judgment, the contentions advanced on behalf of the petitioner must be given effect to. Section 8 of the Act provides, inter alia, that any amount due from the employer in relation to an establishment to which a Scheme under the Act applies, may, if the amount is in arrear, be recovered by the appropriate Government in the same manner as an arrear of land revenue.* ***It does not say that the amount may be recovered as an arrear of land revenue. It merely provides the manner of the recovery of the amount mentioned in Section 8. The manner prescribed for the recovery of the amount as an arrear of land revenue does not convert the amount into an***

> ***arrear of land revenue; nor does it create any charge on any property of the employer for the payment of the amount or give a priority in the manner of payment of the amount. There is no provision in the Act in regard to the creation of any such charge or priority for the payment of the employer's contribution." (emphasis supplied).***

97. We also find that the petitioner - insurance company is justified in relying upon the judgment of a learned Single Judge of this Court in the case of ***Maharashtra Rajya Machhimar Sahakari Sangh Ltd.*** (supra). In the said case, this Court rejected the claim of the State Government that certain outstanding amounts were recoverable as land revenue even when the amounts were said to be due to a company whose share capital was owned by the Government. It was held that since the company was clearly an independent corporate personality, the amounts recoverable by it could not be said to be amounts legally claimable by or on behalf of the State Government.

98. The petitioner - insurance company is also justified in relying upon a Division Bench judgment of the Allahabad High Court in the case of ***Paras Nath Singh Vs. State of Uttar Pradesh and others; 2020 SCC OnLine All 190***, wherein it was found that when the relevant statute did not contain any provision that contractual amount could be recovered as an arrear of land revenue, the State could not justify the recovery. In the present case, as noted herein-above, neither does the ROG under the PM Yojna nor does the Government

Resolution dated 29.06.2020 and not even the MOU i.e. the insurance contract dated 27.07.2020, provide that the amounts due from the petitioner - insurance company are to be treated as arrears of land revenue. Hence, the petitioner - insurance company is clearly justified in contending that the impugned orders / communications issued by the respondent - State authorities are wholly without jurisdiction and on this ground itself, they deserve to be quashed and set aside.

99. We accept the said contention raised on behalf of the petitioner - insurance company. The writ petition deserves to be allowed on this ground itself. But, as noted herein-above, we have decided to examine the merits of the matter also, to satisfy our conscience, as also to examine the question as to whether the respondent - State authorities could resort to any other means for recovering the amount, so long as there is merit in the claim of the recovery made against the petitioner - insurance company.

(ii) <u>Disputed questions of facts / entertaining this writ petition</u> :

100. In this context, the issue regarding existence of the disputed questions of facts arises and it needs to be dealt with, before entering into the merits of the detailed contentions raised by the rival

parties on the interpretation of ROG under the PM Yojna, the aforesaid MOU as also the Government Resolution dated 29.06.2020.

101. In this regard, much emphasis was placed on behalf of the petitioner - insurance company on the judgment of the Supreme Court in the case of ***A.P. Electrical*** (supra). In the said judgment, the Supreme Court observed as follows :

> *"48. Normally, the disputed questions of fact are not investigated or adjudicated by a writ court while exercising powers under Article 226 of the Constitution of India. But the mere existence of the disputed question of fact, by itself, does not take away the jurisdiction of this writ court in granting appropriate relief to the petitioner. In a case where the Court is satisfied, like the one on hand, that the facts are disputed by the State merely to create a ground for the rejection of the writ petition on the ground of disputed questions of fact, it is the duty of the writ court to reject such contention and to investigate the disputed facts and record its finding if the particular facts of the case, like the one at hand, was required in the interest of justice.*
>
> *49. There is nothing in Article 226 of the Constitution to indicate that the High Court in the proceedings, like the one on hand, is debarred from holding such an inquiry. The proposition that a petition under Article 226 must be rejected simply on the ground that it cannot be decided without determining the disputed question of fact is not warranted by any provisions of law nor by any decision of this Court. A rigid application of such proposition or to treat such proposition as an inflexible rule of law or of discretion will necessarily make the provisions of Article 226 wholly illusory and ineffective more particularly Section 10(5) and 10(6)of the Act, 1976 respectively. Obviously, the High Court must avoid such consequences.*"

102. In the said judgment, the Supreme Court also referred to earlier judgments in the cases of i) ***State of Orissa V. Dr. (Miss) Binapani Dei; AIR 1967 SC 1269*** and *ii)* ***Gunwant Kaur Vs. Bhatinda***

Municipality; AIR 1970 SC 602, to throw light on the manner in which a writ Court ought to approach such a situation. Thus, it is clear that merely claiming that disputed questions of facts are involved, cannot be used as a '*mantra*' or 'incantation' on the basis of which the writ Court would automatically desist from exercising its jurisdiction.

103. In any case, upon examining the material on record, and considering the rival submissions, we find that there are no disputed questions of facts involved in the present case at all. The petitioner - insurance company is relying upon the data pertaining to actual yield of Soyabean crop on the basis of figures provided by the respondent - State itself at **Exhibit - L** to the writ petition. This is a communication dated 16.12.2021, whereby the Chief Statistician, Commissionerate of Agriculture of the respondent - State forwarded crop yield data pertaining to Soyabean for the relevant period on the basis of crop cutting experiments admittedly starting on 17.09.2021, which is evident from **Exhibit - H** to the writ petition. All these documents are issued by the respondent - State authorities themselves and, therefore, there is no question of disputing the said material. Indeed, the respondent - State did not dispute the said material / data at all. Even the petitioner - insurance company has not disputed the application of the sample surveys, to arrive at amounts payable to the farmers on the basis of formula supplied by respondent - State authorities. Therefore, on this

score also, there are no disputed questions of facts involved in the present case.

104. Thus, it becomes evident that the present case, for its decision on merits, depends upon interpretation of the documents on record, particularly the clauses of ROG under the PM Yojna, Government resolution dated 29.06.2020 and the MOU dated 27.07.2020. In writ jurisdiction under Article 226 of the Constitution of India, this Court can certainly enter into the arena of interpretation of the aforesaid documents and other material on record, particularly, when there are indeed no disputed questions of facts involved in the present case. Therefore, this Court is proceeding to consider the rival contentions on merits.

(iii) <u>Revamped Operational Guidelines (ROG) under the PM Yojna</u>

105. Respondent - State authorities as well as the PIL petitioners claim that the petitioner - insurance company has paid only 50% of the total amount due and that only the data pertaining to sample survey can be used by proceeding on the basis that the farmers suffered complete loss of Soyabean crop. The petitioner - insurance company, on the other hand, harps upon applicability of clause 21.5.10.1 of the ROG under the PM Yojna. On this basis, it is claimed that a proper application of the said clause would show that

data from CCEs is to be given equal weightage as the data from sample survey and if at all, the CCE data shows actual loss suffered by the farmers that further amount would be due and payable to them.

106. In order to deliberate upon the rival submissions and to render findings thereon, it is necessary to refer to the scheme under the ROG as per PM Yojna and interpretation of its various clauses.

107. Although, this case is admittedly concerned with ‘localized calamity’, covered under clause 21.5 of the ROG, it would be necessary to refer to other clauses, in order to examine the entire scheme and specific expressions used in clause 21.5.

108. The ROG provides for coverage of risks, which include basic cover and add on coverage. Clause 5.2 pertains to add on coverage, which includes germination risk under clause 5.2.10, mid-seasonal adversity, under clause 5.2.2, post harvest losses under clause 5.2.3 and ‘localized calamities’ under clause 5.2.4. Clause 7.3.1 of ROG refers to threshold yield, which is based on average yield of notified crop after considering the yield data of the past seven years.

109. The clauses of the ROG provide for dealing with such add-on coverage system and in that context a detailed mechanism is provided for calculating the amount payable to the farmers and also

timelines to be observed regarding the same. The ROG also provides for grievance redressal mechanism, which includes committees at the district level, state level and at the level of the Central Government. Roles of the agencies of the State Government and the Central Government are also specified with the intention of implementing the scheme under the PM Yojna as efficiently as possible and after taking into consideration variables that necessarily affect agricultural operations. Emphasis is placed on the utilization of scientific methods, so that steps contemplated under the PM Yojna through ROG are practical, reliable and predictable.

110. Considering the emphasis placed on behalf of the petitioner - insurance company on the CCE data relevant for the present case, it would be necessary to examine the role of CCEs and the manner in which various clauses of the ROG prescribe the role and importance of CCEs.

(iv) <u>Role and Significance of CCEs :</u>

111. Crop Cutting Experiments or CCEs are found to be an integral part of the scheme contemplated under the PM Yojna as implemented through the ROG. Clauses 6.1.2 to 6.2.3 of the ROG provide for conducting requisite number of CCEs by adoption of innovative technologies, including handheld devices, smartphones etc.

and uploading of CCE based data on the National Crop Insurance Portal (NCIP).

112. The insurance companies are also required to deploy sufficient number of manpower to co-observe CCEs, which are carried out by officers of the Agriculture department of the respondent - State.

113. Clauses 7.2.1.3 to 7.2.1.6, again highlight the importance of CCEs and the data generated therefrom. In fact, threshold yield itself is calculated on the basis of such data pertaining to past seven years.

114. Clause 16.10 of the ROG stipulates that if CCE data submitted through CCE Agri App is not approved within the stipulated timelines, it shall stand approved automatically and it shall be used for claim calculation. This is crucial as it indicates that under the ROG, CCE data does form the bedrock of claim calculation. Clause 18 of the ROG pertains to assessment of loss / shortfall in yield and the sub-clauses thereof give the details as to the manner in which CCEs shall be considered and that CCEs shall be undertaken per crop per unit area of insurance for notified crop. A reference is made to two step yield assessment and the manner in which approved CCEs shall be conducted by the Officers of the Agriculture department, in the presence of the Officers of the insurance company. Clause 18.4.5

states that the State Government shall compulsorily constitute a steering committee in each district to plan, conduct and supervise the CCEs for yield assessment and to provide reports of yield data to the State Nodal Department. There are specific instructions available in the clauses for the modalities of conducting the CCEs in respect of various crops.

115. It is also provided that in case there is a dispute with regard to data, the STAC shall resolve the dispute. Clause 19.7.3 of ROG stipulates that all CCE data of contested area shall be available in digital format along with other collateral data and further instructions have been given concerning CCEs data yield. Clause 20 provides for various instructions for using innovative technology for conducting CCEs for yield assessment including CCE for the crops to be covered, smart sampling for CCE optimization, two steps yield assessment i.e. identification of insurance units affected by crop risks and time of occurrence of crop risks. Such risks include unseasonal rains, which is relevant for the facts of the present case. Clause 20.2.4 is significant in the context of time of occurrence of crop risks and it reads as follows:

> ***"20.2.4 Time of occurrence of crop risks :*** *Timely identification of risk-affected insurance units is very critical to ensure the preparedness by the field functionaries for timely execution of CCEs. It is recommended that the affected insurance units be identified by at least 20-30*

> *days before crop harvesting. That means, crop risks occurring from sowing till 30 days before harvest are only accounted. Abnormal events like cyclones/floods or unseasonal rains that occur a few days/weeks before harvest are to be included in the CCE plan. Identification and notification of insurance units in such a small time window would be a challenge. Hence, there should be some back-up plan with all the States to deal with calamities/risks that occur just before crop harvest. Considering the nature and time of occurrence of crop risks, a quick decision has to be taken by the States on CCE plan, whether to go for requisite number of planned CCEs at IU level or group of homogenous IUs /pooled areas for conducting less number of CCEs."*

116. The contents of the above quoted clause further demonstrate the importance of CCE data for calculating amounts payable under the add-on cover as per ROG, including situations of localized calamities.

117. The subsequent clauses of ROG, particularly clause 21 pertaining to assessment and claim settlement refer to and rely upon CCE data. In respect of claims due to mid-season adversity, the insurance companies are required to make an immediate upfront payment to the extent of likely claim and clause 21.4.2.7 of the ROG provides that such amount of 25% of the likely claims payable, shall be subject to adjustments against final claims based on yield assessment data arrived through the CCEs. Thus, finalization of the claims in various add-on covers specifically depends upon CCE data. Even clause 21.5 of the ROG pertaining to 'localized calamity', with which we are concerned in the facts of the present case, indeed refers to and

relies upon CCE data for calculation, finalization and payment of claims to the farmers.

118. Even the post harvest claims covered under clause 21.6 refer to the CCE data in the context of initial payment and then finalization of the claims of the farmers. Thus, this Court is of the opinion that CCE data is one of the most significant aspects of ROG under the PM Yojna, as it forms the bedrock of calculation and finalization of the claims in the event any of the contingencies occur, which pertain to add on coverage as per various clauses of the ROG. There is substance in the contention raised on behalf of the petitioner - insurance company that CCE data cannot be simply ignored even in the facts of the present case. We are unable to accept the contention raised on behalf of the respondent - State that the localized calamity that occurred in the present case requires calculation and payments of the claims of the farmers by ignoring the CCE data, although it is admittedly available and provided by the respondent - State itself to the petitioner - insurance company.

119. It is not as if CCE and its significance has not been considered and deliberated upon by this Court on earlier occasions. In certain proceedings before this Court, respondent – State authorities have themselves relied upon and claimed that CCEs are the basis of

calculating and disbursing amounts payable under such crop insurance schemes. In the case of ***Ter Large*** (supra), a Division Bench of this Court recorded as follows :-

> *"8. An affidavit in reply is presented by one Ashok Pandurang Kadam, Deputy Director of Agriculture, on behalf of the State Government. It is contended in the affidavit presented on behalf of the State Government that the Agriculture Department plans the required number of Crop Cutting Experiments in notified areas to estimate per hectare yield rates of different crops. It is also stated that the current year's average yield, based on crop cutting experiments, planned under crop estimation survey, is compared with threshold yield and claims are sanctioned in the proportion of shortfall in threshold yield. The settlement of claim is done by AIC as per the prescribed procedure and that the compensation is not decided on the basis of `paisewari'. It has also been stated on behalf of the State Government that the threshold yield of each crop in the notified area is fixed separately. The method of underwriting crop insurance is not similar to other classes of non life insurance where coverage is on individual basis. As per the provisions of the scheme, if there is a loss due to insured perils and such losses are reflected in the yield arrived at by conducting CCEs, the farmers become eligible for compensation. The claims are settled for the crop where shortfall in the yield is recorded. It is stated that there is no room for any discrimination or for any fraud and the claim settlement scheme is a full proof system.*
>
> *9. ……..*
>
> *10. Thus, the argument of the petitioners, based on scaling down of annewari by the State, which according to the petitioners, is less than 50 paise, for consideration of claim towards recovery of insurance claim, cannot be accepted. As stated above, the scheme prescribes different modes of assessing shortfall in the yield. The shortfall in the yield is equivalent to threshold yield and actual yield during relevant period. The Respondents, on the basis of crop cutting experiments, did not find that there is any shortfall in the yield. Thus, the contention raised by the petitioners that they are entitled to be indemnified, as there is scaling down of annewari by the State Government, which itself is indicative of the shortfall of yield, cannot be accepted."*

120. In the case of ***Libaraj*** (supra), another Division Bench of this Court held as follows :-

> *"21. As has been submitted by respondent nos. 3 and 4, the Crop Cutting Experiments are conducted by the State Government machinery and average yield data is furnished by them and the claims are settled on the basis of shortfall in the yield recorded on the Area Approach basis in the notified areas for the notified crops. As stated by respondent Nos. 1, 5, 6 and 7 the system of assessing loss on the basis of Crop Cutting Experiment, is in vogue in Maharashtra since 1944-1945. It is developed by National Sample Survey Organization, New Delhi. As submitted by these respondents, the said methodology of crop estimation is time tested and well established. According to the said method, minimum ten samples are considered per circle and 16 per Taluka. The number of crop cutting experiments are planned in proportion of the area under crop and the number may be higher where substantial area under crop is available and where area under crop is minimal, only six samples are being taken. The selection of the villages, survey number and the composition of the plot in the field is decided by using random tables to obtain unbiased estimates of average yield. As further stated by these respondents in their affidavit in reply, the plot selected is harvested in presence of village committee comprising of Agricultural Extension Officer, Revenue Circle Inspector or Gram Sewak, Sarpanch and Police Patil of the village concerned and the representatives of the farmers are also included so as to maintain transparency. In addition to the above, supervision of two villages each at the harvesting stage is allotted to the responsible officers like Deputy Collector, Tehsildar, Agricultural Development Officer, Block Development Officer, etc. and based on this, the average yield is being assessed and if it is found to be less than the threshold yield, the compensation is being awarded to the farmers in the said area. The respondents have clarified that the method of awarding the crop insurance claim cannot be equated with other classes of non life insurance where individual is the basis. The respondents have stated that the National Agricultural Insurance Scheme is aimed at protecting interests of large Section of the notified area where the losses occur due to natural perils and such losses are reflected in the yield arrived at by conducting crop cutting experiments. The respondents have further clarified that if an individual farmer has suffered crop loss but the circle insurance unit as a whole does not reveal such losses and such losses are not reflected in the yield*

> *data then such farmer cannot be said to be entitled to the crop insurance claim whereas if any such farmer harvests a good crop but the circle as a whole in which he is situated suffers a loss and such losses are reflected in the yield data, such farmer also gets compensation and/or insurance claim even though he has not actually suffered loss. In nutshell, the claims are settled for the crop on area approach basis where shortfall in the yield is recorded on the basis of crop cutting experiment method."*

121. In the context of such crop insurance scheme, another Division Bench of this Court in the matter of ***The Osmanabad District Central Co-op. Bank Ltd. & Anr. Vs. The State of Maharashtra & Ors.; 2005 SCC OnLine Bom 409***, referred to contents of the affidavit in reply filed on behalf of the respondent – State authorities and recorded as follows:-

> *"**16.** The respondents in their affidavits have pointedly stated that the insurance claims of the farmers were settled on the basis of the Crop Cutting Experiments. In fact, settlement of the claims is to be made on the basis of Crop Cutting Experiments and this is the only method which is contemplated under the scheme. Merely because either the report is not available or that a representative of the petitioner bank was not associated would not mean that no Crop Cutting Experiment was carried out. In any event, this is highly disputed question of fact which cannot be gone into and decided while exercising writ jurisdiction. Settlement of the claims under the Comprehensive Crop Insurance Scheme cannot be directed to be made on the basis of annewari-paisewari. The respondents have pointed out the basic difference between the Crop Cutting Experiment and the declaration of annewari and paisewari. The scheme contemplates settlement of claims only on the basis of Crop Cutting Experiments. It would be wholly impermissible for us to go behind the scheme and direct the respondents to settle the insurance claims on a procedure which is completely alien to the scheme. Respondent No. 3 has settled various claims of the farmers based on the Crop Cutting Experiments or to direct respondent No. 3 to settle the insurance claims on the premise that in 1991 there was a general drought as a result of which there was overall shortfall in the yield of various crops. To do so would be substituting our opinion to that of the Experts and*

> *completely deviating from the various provisions of the scheme. In our opinion therefore no case has been made out by the petitioners for interfering and granting the reliefs, which are prayed for in this petition. Though we have held that the petition is maintainable, according to us, on merits no case is made out for interference."*

122. In an appeal arising from orders passed by the Consumer fora under the Consumer Protection Act, 1986, the Supreme Court in the case of ***Ajitsinh Malubhai Ghummad etc. Vs. Union of India & Ors.*** (Order dated 11.08.2021 in Civil Appeal no. 6040-6041 of 2011), held that if the actual yield of the crop is more than the threshold yield in question, it can be said that the insured i.e. the farmers have failed to prove any loss covered under such scheme of insurance. Thus, it is evident that CCEs, even as per the respondent – authorities, are the basis for calculating actual loss that may be suffered by farmers in the context of crop insurance schemes like the PM Yojna being implemented under the ROG.

123. This is not a case where CCEs could not be conducted or that there was any dispute raised with regard to the CCE data available for the relevant period, pertaining to the crop of Soyabean, in respect of which the insurance claim arises in the facts of the present case. As to whether the CCE data can be looked at and utilized, is a different matter and that aspect takes us to the next issue regarding the manner

in which loss suffered and amount payable to the farmers, is to be calculated in the facts of the present case.

(v) <u>'Localised Calamity' and applicability of clause 21.5.10 of the ROG:</u>

124. There is no dispute between the parties about the fact that the insurance claim in the present case arises out of a localized calamity. The localized calamity in the present case was in the form of unseasonal rain that occurred between 23.09.2021 to 10.10.2021 in District - Osmanabad (now Dharashiv). The fact that the said localized calamity took place between the aforesaid period, is not a disputed question, for the reason that in various documents issued by the respondent - State authorities, including letter dated 25.10.2021 at Exhibit 'K' issued by the respondent - District Collector to the petitioner - insurance company it is specifically recorded that unseasonal rains and hence the 'localized calamity' indeed took place between 23.09.2021 to 10.10.2021.

125. Rival contentions have been raised before this Court in the context of the said localized calamity, by referring to various sub-clauses of clause 21.5 of the ROG pertaining to localized calamity. Respondent - State claims that since the localized calamity did not take place within 15 days of the harvest, the loss suffered by the farmers

had to be assessed only on sample survey and that CCE had no role to play. But, the petitioner - insurance company has contended that the localized calamity and hence, the losses to the farmers did occur within 15 days of the harvest and hence, the assessment has to be based on a combination of sample survey and CCE with 50 : 50 weightage. The respondent - State claims that the loss suffered by the farmers was almost complete because the crop of Soyabean was standing when the unseasonal rains hit the aforesaid district. The rival contentions revolve around the interpretation of clause 21.5.10 of the ROG, particularly, sub-clause (1) in the table that forms part of the said clause. It needs to be reproduced, in order to appreciate the rival contentions. Clause 21.5.10 of the ROG reads as follows :

SR.No.	Action required to be taken	Action to be taken by	Schedule for taking action
1	Intimation may be given within 72 hours by the farmer either through Mobile Application, Centralized Toll-Free Number, directly to the Insurance Company through it's dedicated toll-free number or through the concerned bank, local agriculture department Government/district officials. However, the first mode of intimation should be either crop insurance app or the centralised Toll-Free Number. In case the intimation has been given through concerned bank branch or Government officials, the intimation should be given within next 48 hours to the	Affected farmer(s) may intimate using mobile. landline or social media.. Farmer should provide his bank account number (loan account for loanee farmer and savings account for non-loanee farmer) or Enrollment number generated from the portal at the time of intimation.	Within 72 hours from the occurrence of a peril.

SR.No.	Action required to be taken	Action to be taken by	Schedule for taking action
	Insurance Company. Intimation about occurrence of localized perils/ calamities viz. Hailstorm, Landslide, Inundation, Cloud burst and Natural fire due to lightening may be given upto harvest date as notified in the State Notification and supported by information of IMD / local media, and Reports of Agriculture / Revenue Departments, Media Reports. The losses due to occurrence of localized perils within 15 days of normal harvest will be assessed based on combination of sample survey and CCEs with 50:50 weightage.		
2	Forwarding of information / Intimation of the farmer(s) to Insurance Company by either using company's web link or via NCIP.	Bank/PACS, Local Agriculture Department / District officials	Within 48 hours from the receipt of the information / intimation from the farmer(s).
3	Appointment of loss assessor as per qualifications & experience laid down in the OGs of PMFBY.	Insurance company	Within 48 hours from the receipt of the information / intimation.
4	Assessment of affected area in term of % of area sown.	DLJC	Within 10 days of the appointment of the loss assessor by the company.
5	Individual level assessment of loss (in case the affected area is < 25% of the total cropped area).	Jointly by the Insurance Company & block level Agriculture Officer.	Within 7 days of the intimation of loss.
6	Verification of the details of the affected insured farmer(s) from the bank using company's web link or on NCIP.	Insurance company	
7	Claim-payment to affected farmers.	Insurance company	Within 15 days from receipt of loss assessment report subject to receipt of at-

SR.No.	Action required to be taken	Action to be taken by	Schedule for taking action
			least advance Government share of subsidy (1st installment of both State & Central Government).
8	Data of the Loss assessment report finalized by DLJC, and admissible claims will be uploaded on the NCIP against the farmer from whom the loss intimation was received.	Insurance company	Within 7 days of the survey.

126. A perusal of clause 21.5.10.1 shows that the operative part thereof consists of two components. For the sake of convenience, the two components are again being separately reproduced, so as to facilitate appreciation and analysis of the rival contentions of the parties.

Component - I of Clause 21.5.10.1 reads as follows :

> *"Intimation about occurrence of localized perils/ calamities viz. Hailstorm, Landslide, Inundation, Cloud burst and Natural fire due to lightening may be given upto harvest date as notified in the State Notification and supported by information of IMD / local media, and Reports of Agriculture / Revenue Departments, Media Reports." (*Emphasis supplied*).*

Component - II of clause 21.5.10.1 of the ROG reads as follows :

> *"The losses due to occurrence of localized perils within 15 days of normal harvest will be assessed based on combination of sample survey and CCEs with 50:50 weightage." (*Emphasis supplied*).*

127. It is of significance that while component I uses the words 'harvest data as notified in the State notification'; component II uses the words 'normal harvest'.

128. There is no dispute about the fact that the harvest date as notified in the State notification, in the facts of the present case, is nothing but the crop calender issued by the respondent - State for Kharif - 2021. A copy of the same is placed on record at Exhibit - R-2 alongwith reply affidavit of the respondent - State authorities. It specifically states that the crop harvesting period for the crop of Soyabean in respect of the District - Osmanabad shall be 15.10.2021 to 15.11.2021. Applying the same to component - I of clause 21.5.10.1 quoted herein-above would show that intimation about occurrence of localized calamity would have to be given up to 15.10.2021. The ROG nowhere defines ‘normal harvest’. In the absence of such definition, it was vehemently submitted on behalf of the respondent - State that ‘normal harvest’ is nothing but the harvest date / period specified by the respondent - State in the afore-mentioned crop calender for Kharif - 2021. On this basis, it was contended that since the localized calamity in the present case occurred from 23.09.2021 to 10.10.2021, the estimation of losses was being pressed only up to 30.09.2021 and as per the material available on record maximum claims were submitted up to the said date and hence, the entire amount payable to the farmers had to be only on the basis of sample survey. It was asserted that there was no question of clause 21.5.10.1 of the ROG being

applicable and, therefore, the CCE data became wholly irrelevant while calculating and paying the claims of the farmers.

129. On the other hand, the petitioner - insurance company has placed much emphasis on the fact that CCEs were undertaken at least from 17.09.2021, in the facts of the present case. A perusal of the documents on record indeed shows that even as per the respondent - State, CCEs started on 17.09.2021. This is evident from the document at Exhibit – H, which gives the details of the manner in which the CCEs were conducted from 17.09.2021, the data pertaining thereto and the fact that the same was issued by an officer of the respondent - State i.e. the Talathi.

130. The document at Exhibit L, being a communication issued by the Chief Statistician of the Commissionerate of Agriculture, respondent - State dated 16.12.2021 annexes the average yield data based on crop cutting experiments of crop Soyabean in District - Osmanabad for Kharif - 2021 season. These are undisputed documents of the respondent - State itself. We are of the opinion that such undisputed documents indeed show that actual harvesting of the soybean crop started in District - Osmanabad for Kharif - 2021 at least from 17.09.2021 onwards. Thus, harvesting had begun on 17.09.2021, notwithstanding the fact that the crop calender specified the date of

harvesting period as 15.10.2021 to 15.11.2021. This fact is of immense significance in the facts of the present case. It is also relevant to note that the expression ‘normal harvest’ is not defined anywhere in the ROG under PM Yojna.

131. Neither the Government resolution dated 29.06.2020 nor the MOU dated 27.07.2020 executed between petitioner - insurance company and respondent - State, refer to the expression ‘normal harvest’. In this situation, we find that the contention raised on behalf of the insurance company that normal harvest must mean actual harvest conducted in that particular season, as a logical interpretation of the expression ‘normal harvest’. If there was no data available to find out as to when harvest actually began, it would have been a different matter. But, normal harvest obviously and logically must mean the date when the exercise of harvesting the crop actually began. Therefore, we accept the contention raised on behalf of the petitioner - insurance company that, in the facts of the present case, on the basis of the undisputed documents issued by the respondent - State authorities themselves, pertaining to CCEs being conducted at least from 17.09.2021, the normal harvest began from 17.09.2021.

132. At this stage, it would be relevant to consider the contention raised on behalf of the respondent – State, that since the

crop calender notified by the respondent – State shows the period of harvesting between 15.10.2021 to 15.11.2021 using the word ***सर्वसाधारण***', which means 'general' or 'normal', this very period and the dates have to be treated as 'normal harvesting date'. We find that the ROG as well as the stand taken by the respondent – State itself shows that the date of harvesting notified by the respondent – State is nothing but the crop calender. We have also found herein-above that the words used 'harvest date as notified in the State Notification' in component – I of clause 21.5.10.1, are distinct and different from the words 'normal harvest' used in component – II of the said clause.

133. Therefore, the respondent – State cannot be permitted to turn around and claim that the crop calender which is in-fact, the date notified by the State, is the same as 'normal harvest', merely because the word '***सर्वसाधारण***' is used in the crop calender. As noted herein-above, the words 'normal harvest', not being defined anywhere in the ROG or the Government Resolution dated 29.06.2020 issued by the respondent – State, has to be the date when the actual harvesting started. In the present case, the CCEs show that the harvesting of Soyabean crop in District – Osmanabad had actually started at least from 17.09.2021 onwards. Thus, the aforesaid contention raised on

behalf of the respondent – State, harping upon the word '***सर्वसाधारण***' used in the crop calender, cannot be accepted.

134. As noted herein-above, the 'localized calamity' took place between 23.09.2021 to 10.10.2021. This is a fact acknowledged and admitted by respondent - State in its own communications, particularly, the communication at Exhibit - K dated 25.10.2021, issued by the respondent - Collector himself to the petitioner - insurance company. Therefore, there is substance in the contention raised on behalf of the petitioner - insurance company that, in the facts of the present case, losses to the farmers occurred due to localized calamity of unseasonal rains within 15 days of 'normal harvest'. Once this finding is reached, it becomes clear that such losses have to be assessed under component - II of clause 21.5.10.1 of the ROG, on the basis of combination of sample survey and CCEs with 50 : 50 weightage.

135. We are unable to accept the contention raised on behalf of the respondent - State that since the insurance company had agreed for 85% of the input costs to be made the basis of calculating the amount payable as per sample survey, it would mean that the insurance company had conceded to the fact that the CCEs would have no role to play while calculating the amount of compensation. The relevant clauses and sub-clauses of the ROG pertaining to

localized calamity do indicate that the role of the CCEs and the data generated therefrom cannot be ignored while calculating the amount of compensation payable. It is an admitted position that the petitioner insurance - company itself paid amount of Rs.374,61,93,634/- on the basis of joint sample survey, which is equivalent to 50% weightage for the sample survey. There is no dispute about this aspect of the matter. The difference between the parties is on the assertion of the respondent - State as well as petitioners in the PIL, that the amount had to be paid to the farmers on the basis of calculation based entirely on sample survey, with no weightage being given to CCEs.

136. Once this Court has accepted the contention raised on behalf of the petitioner - insurance company with regard to applicability of component - II of clause 21.5.10.1 of the ROG, for the detailed reasons stated herein-above, CCE data can certainly not be ignored. We also find substance in the contention raised on behalf of the petitioner - insurance company that in every circumstance of add-on cover, be it germination, mid-season adversity or post-harvest losses, CCE data consistently has significance.

137. In fact, under such add-on coverage, upfront payments are to be made to the farmers, which are then to be finalized on the basis of CCE data, to reach a conclusion as to whether any adjustment is

necessary in the light of the upfront payments made to the farmers. Neither the State authorities nor the PIL petitioners have been able to justify their claim that entire 100% payment was to be made to the farmers only on the basis of sample survey data.

138. If the contentions raised on their behalf are to be accepted, then there would be no distinction between specific expressions used in the definitions forming part of clause 21.5.10.1 of the ROG. The words ‘harvest data as notified in the State notification’ used in component I, are distinct from the words ‘normal harvest’ used in component II. The interpretation being placed on behalf of the respondent - State authorities and the PIL petitioners, is in the teeth of the clear language used in the said clause and, therefore, the said interpretation cannot be accepted.

139. It is not as if the insurance company is absolved of its liability when 50% weightage is given to CCEs as per clause 21.5.10.1 of the ROG. The extent of liability would depend upon the CCE data and if losses are suffered in the actual yield as compared to the threshold yield, proportionately the insurance company will have to pay amounts to the farmers. But, in the present case, undisputedly, CCE data as per Exhibit - L sent by the Chief Statistician of the Commissionerate of Agriculture of the respondent - State itself shows

that figures pertaining to average / actual yield of Soyabean crop for District - Osmanabad for Kharif season - 2021 in each of the 42 circles, was much higher than the threshold yield.

140. Therefore, the farmers as per the CCE data did not suffer any actual loss with regard to the Soyabean crop despite the localized calamity of unseasonal rains. Since the said data is undisputed, it becomes clear that under the 50% weightage pertaining to CCEs, the insurance company is not liable to pay any amount to the farmers. This indicates that on merits also, the respondent - State authorities and even the PIL petitioners have not been able to demonstrate that further amounts are recoverable from the petitioner - insurance company. It is to be understood that the payment is to be made under the MOU dated 27.07.2020, which is a pure insurance contract and it indemnifies for actual losses suffered. The formula of assessing the losses is ingrained in and provided in detail under the ROG. Once the facts of the present case demonstrate that clause 21.5.10.1 of the ROG clearly applies, a proper interpretation and implementation of the same demonstrates that the petitioner - insurance company is not liable to pay any further amounts to the farmers.

(vi) <u>Jurisdiction of District Grievance Redressal Committee and Role of Divisional Level Grievance Committee</u> :-

141. A specific contention was raised on behalf of the petitioner – insurance company that the District Grievance Redressal Committee, as contemplated under the ROG and the Government Resolution dated 29.06.2020 suffered from lack of pecuniary jurisdiction in the facts and circumstances of the present case and, hence, for this reason also, the orders passed by the said Committee were rendered without jurisdiction. The ROG as well as the Government Resolution provide for pecuniary jurisdiction of Rs.25 Lakh with the District Grievance Redressal Committee. The response of the State, to the said contention, is that since the claim of each individual farmer was less than Rs.25 Lakhs, the said Committee did have pecuniary jurisdiction.

142. We find that the District Grievance Redressal Committee took into consideration the grievances of a large number of farmers and in that context, it was indicated that the petitioner – insurance company ought to pay the balance amount of above Rs.374.34 Crores. It is not clear as to what was the extent of the claim of each individual farmer and whether each such claim exceeded Rs. 25 Lakhs. In any case, the claims of such aggrieved farmers put together clearly exceeded the pecuniary limit of Rs.25 Lakhs. But, the said aspect pales into insignificance in the light of the specific stand taken on

behalf of the respondent – State that the District Grievance Redressal Committee, in the facts of the present case, did not decide anything and that it did not pass any effective order. The respondent – State claims that the said Committee merely made its recommendation and sent the same to the Divisional Level Grievance Committee. If that be so, the issue pertaining to pecuniary jurisdiction loses its significance. At the same time, it is incongruous that the impugned communications / orders under the MLR Code appear to be passed on the deliberations and findings of the said District Grievance Redressal Committee.

143. Apart from this, it is evident that the ROG under the PM Yojna does not provide for a Divisional Level Grievance Committee and it refers to the hiearchical form, i.e., a Committee at District Level, then a Committee at the State Level and finally the Committee at the Central level. But, this Court finds that introduction of the Divisional Committee by the afore-mentioned Government Resolution dated 29.06.2020, in itself, may not render illegal the aforesaid act on the part of the State, for the reason that the Government Resolution was issued in order to execute the PM Yojna and it could be said a step in aid thereof. In any case, when this Court is inclined to hold in favour of the petitioner – insurance company on the merits of the matter, these issues indeed take a backseat. They are really concerned with the petitioner –

insurance company being able to maintain the present writ petition before this Court and on that score, this Court has already held in favour of the petitioner herein-above.

(vii) <u>Alternative Remedy available to the petitioner</u> :-

144. Respondent – state has raised a specific objection that the writ petition could not be entertained in the face of availability of alternative remedy in the form of Grievance Redressal mechanism provided in the ROG as well as the Government Resolution dated 29.06.2020. As noted herein-above, there is a hierarchical system for grievance redressal provided under the ROG as well as the said GR. If a party is aggrieved by the findings or order of the District Grievance Redressal Committee, the same could be challenged before the State Committee and further before the Committee at the Central level. But, such challenge would necessarily concern the actual calculation of the amount that the insurance company would be liable to pay to the insured farmers. It would involve the nitty-gritty of applying the directives in the ROG, including the formulae indicated therein. But, the interpretation of the clause of the ROG can be undertaken only by the Central Government under clause 35.1.17 of the ROG.

145. Thus, considering the nature of dispute raised on behalf of the petitioner – insurance company, the grievance redressal mechanism in its hierarchy, could not be said to be an efficacious alternative remedy available to the petitioner. As a matter of fact, the petitioner – insurance company had sent a letter on 01.11.2022 to the Chief Executive Officer of the PM Yojna seeking guidance for resolution of the said dispute pertaining to interpretation of the clauses of the ROG and intervention in the matter. But, by the letter dated 24.11.2022, the respondent – Union of India informed the petitioner – insurance company that it should approach the STAC for the said purpose. The scheme under the ROG shows that the STAC can decide only issues pertaining to crop yield or losses for computation of admissible claims and not interpretational issues.

146. The said admitted position on facts clearly shows that the remedy available to the petitioner – insurance company was sought to be availed, but the respondent – Union of India, instead of deciding the issue, asked the petitioner – insurance company to approach the STAC. In such a situation, it cannot be said that the writ petition should not have been entertained due to availability of alternative remedy. In any case, not to entertain a writ petition due to availability of an alternative remedy is not a rule of law, but a rule of prudence and convenience. Therefore, it cannot be said in the facts of the present

case that the writ petition ought not to have been entertained due to availability of alternative remedy. Hence, the said contention raised on behalf of the respondent – State is also rejected.

(viii) <u>Reliance on communications issued by the respondent – State authorities and Union of India</u>.

147. The respondent – State has relied upon certain communications issued by the Officers of the respondent – State to claim that in similar situations, it was opined that clause 21.5.10 of the ROG would not apply. Having perused the said communications, we find that there is no reasoning recorded therein and in any case, such communications / orders may be binding on the respondent – State authorities, but they cannot be binding on this Court while considering the rival contentions raised in the present writ petition.

148. On the other hand, the letter dated 25.07.2025 sent by the Ministry of Agriculture and Farmers Welfare of the respondent – Union of India to the Department of Agriculture and Farmers of the Government of Haryana concerning similar circumstances, shows the interpretation placed on clause 21.5.10.1. In the said communication, the said department of the respondent – Union of India has relied upon an earlier communication pertaining to kharif season of 2021 and it has been specifically opined that if the harvesting had already started in the

District (before the date notified by the State in the tender document) before the occurrence of the localized calamity, clause 21.5.10 gets invoked. This is crucial for the reason that, as noted herein-above, it is the respondent – Union of India that can interpret any provision of the scheme under clause 35.1.17 of the ROG. The said communication relied upon by the petitioner – insurance company, indeed, throws light on the applicability of clause 21.5.10.1 of the ROG. It is also significant to note that even in the reply affidavit filed on behalf of the respondent – Union of India in the instant writ petition, it has been stated as follows:-

> *"It is further submitted that if the harvest had already started in the district (before the date notified by the State in the tender document) before the occurrence of the localized calamity, in that case clause 21.5.10 gets invoked."*

149. We have already reached a conclusion herein-above that harvesting actually started, at least from 17.09.2021 i.e. when the first CCE was conducted, and it was prior to the date of 15.10.2021 notified in the crop calender issued by the respondent – State. As per the interpretation given by the respondent – Union of India itself, clause 21.5.10.1 of the ROG applies in the facts of the present case and, hence, contentions raised on behalf of the petitioner – insurance company deserve to be accepted.

(ix) <u>Reliance placed on Judgment of this Court in PIL / 91 / 2021 (supra)</u>

150. The PIL petitioners have placed much reliance on the said judgment of this Court in the PIL. It was submitted that since the petitioner – insurance company was a party in the said PIL, and it had suffered an adverse order with regard to the issue relating to liability of payment to farmers under the crop insurance scheme under the PM Yojna, the present PIL ought to be allowed and the writ petition deserved to be dismissed. But, having perused the aforesaid judgment of this Court, which was confirmed by the Hon'ble Supreme Court, we find that none of the issues that arise in the present proceedings came up for consideration before this Court or the Hon'ble Supreme Court. The only issue in the aforesaid PIL pertained to alleged failure of the farmers in the said case in individually intimating losses within 72 hours of the date of the incident or the localized calamity. This Court as well as the Hon'ble Supreme Court rejected the contentions raised by the petitioner – insurance company in the context of the aforesaid issue.

151. But, in the present case, the afore-mentioned detailed issues have arisen, in the context of which this Court has been called upon to interpret various clauses of the ROG under the PM Yojna as well as the GR dated 29.06.2020 and the MOU dated 27.07.2020. The

said issues have been considered in detail and findings have been rendered herein-above. None of these issues came up for consideration in the afore-mentioned PIL / 91 / 2021 and, therefore, reliance placed on the judgment in the said PIL, merely because this very insurance company happened to be a party therein, can be of no consequence. Hence, the said contention is also rejected.

(x) <u>Having received premium, petitioner – insurance company must pay the amount claimed</u>.

152. In respect of the said issue, we find that strenuous arguments were made on behalf of the respondent – State, to the effect that the petitioner – insurance company had received full premium amount, but at the time of honouring its commitment to pay legitimate claims of the farmers, it was deliberately and illegally avoiding to do so. But, it cannot be forgotten that in the present case, this Court is required to consider rival contentions in the backdrop of a pure insurance matter, based on ROG under the PM Yojna as also the GR dated 29.06.2020 and more particularly, MOU dated 27.07.2020 executed between the parties.

153. The liability to pay and the indemnification is based on the agreed terms between the parties. It is within the four-corners of the said documents that either party is required to make out its case. The most crucial aspect, while interpreting and implementing the clauses of

the ROG and the MOU, is that amounts will have to be paid on the basis of losses suffered by the farmers. Once, the petitioner – insurance company has been able to demonstrate that the basis of payment to the claimant – farmers, in the facts of the present case, is covered under clause 21.5.10 of the ROG, the same must apply with full force. As noted herein-above, the petitioner – insurance company is not seeking to avoid its liability by raising any arguments or contentions outside the four-corners of the agreement between the parties. It is, in-fact, seeking implementation of the clauses of the ROG, particularly, clause 21.5.10 in the facts and circumstances of the present case.

154. It is also un-deniable that even upon applying clause 21.5.10.1 of the ROG, if actual losses on the basis of CCE data were higher, the remaining 50% amount would have been payable to the farmers, proportionate to the losses suffered. But, the undisputed CCE data provided by the respondent – State itself shows that in case of all the 42 circles of District – Osmanabad concerning the notified crop Soyabean, there was no actual loss suffered. This was because the actual yield in all the 42 circles of the District – Osmanabad was found to be more than threshold yield. Therefore, this Court is unable to agree with the respondent – State that the petitioner – insurance

company was being rapacious while denying the claims raised by the respondent – State on behalf of the farmers.

155. On the basis of the material on record and the analysis and findings given herein-above, this Court is of the opinion that the petitioner – insurance company has succeeded in making out its case and that the respondent – State as well as the PIL petitioners have not succeeded in proving their stand before this Court.

156. In that light, the writ petition deserves to be allowed and the PIL needs to be dismissed.

O R D E R

157. In view of the above. Writ Petition No. 11973 of 2023 is allowed and it is declared that in the facts and circumstances of the present case, clause 21.5.10.1 of the ROG under PM Yojna applies. In the light of the CCE data showing no actual loss as the actual / average yield in all 42 circles of Osmanabad District for Kharif season – 2021 was more than the threshold yield, the basis on which the respondent – State has claimed further equivalent amount from the petitioner – insurance company, is found to be unsustainable. Consequently, prayer clause (B) is granted and the impugned communications / orders dated 31.05.2022, 20.09.2022, 12.10.2022, 26.10.2022, 02.11.2022 and 16.11.2022 are quashed and set aside.

158. For the very same reasons, Public Interest Litigation No. 38 of 2023 is dismissed.

159. Rule is made absolute accordingly.

160. Pending applications in both proceedings, if any, also stand disposed of.

[Y.G. KHOBRAGADE]
JUDGE

[MANISH PITALE]
JUDGE

arp/