



IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.5497 OF 2018

Ismail Babalal Attar,  
R/at – Dahiwada, Taluka – Tasgaon,  
District – Sangli.

...Petitioner

**Versus**

1. The State of Maharashtra  
Through Secretary Revenue  
Department, Mantralaya,  
Mumbai.
2. The Divisional Officer,  
Bank of Maharashtra Division  
Office, Near Tarabai Putla,  
Kolhapur.
3. The Chief Officer,  
Agrani Bank, Bank of India,  
Kolhapur.
4. The Branch Manager,  
Bank of Maharashtra,  
Yadrav Branch, Yadrav,  
474/1, Opp. SIT College,  
Sangli Rd. Taluka – Shirol,  
Yadrav – 416 121.
5. The Bank of Maharashtra  
Head Office Lokmangal, 1501,  
Shivaji Nagar, Pune – 411 005.

...Respondents

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Mr. Sachin K. Hande for Petitioner.

Mr. A. I. Patel, Addl. G. P. a/w Mr. S. L. Babar, AGP for Respondent No.1-  
State.

Mr. O. A. Das for Respondent No.3.

Mr. Satish Upadhyay (through VC) for Respondent No.4.

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**CORAM : M. S. SONAK &  
JITENDRA JAIN, JJ.**

**DATED : 10<sup>th</sup> OCTOBER 2024**

**ORAL JUDGMENT : (Per M. S. Sonak, J.)**

1. Heard the learned counsel for the parties.
2. **Rule.** The rule is made returnable immediately at the request and consent of the learned counsel for the parties.
3. The Petitioner challenges the rejection of the benefits under the “Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana-2017” applied by him concerning a loan obtained by him from the 4<sup>th</sup> and 5<sup>th</sup> Respondents, i.e. Bank of Maharashtra.
4. The records show that the Petitioner applied and was sanctioned a loan of Rs.1,92,000/- for agricultural purposes. The sanction letter is on pages 13 and 14 of the paper book. The perusal of the sanction letter shows the purpose for which the loan was sanctioned and disbursed was agriculture. The loan was repayable with interest @7% per annum, the interest rate prescribed for agricultural loans. The sanction letter further states that as security for repayment of this loan, the Petitioner will have to hypothecate gold ornaments of gross weight 120 grams and net weight 106.97 grams.
5. The Petitioner applied for a waiver relying upon the Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana-2017 (Loan

Waiver Scheme). The details of this Scheme are set out in the Government Resolution dated 28 June 2017. We have been furnished a translated copy of this Loan Waiver Scheme.

6. The Loan Waiver Scheme contemplates a waiver of up to Rs.1.5 lakh from the loan amount outstanding as of 30 June 2016. The scheme contemplates that agricultural loans (crop loans and medium-term loans) given only by Nationalised Banks, Private Banks, Rural Banks, and District Central Co-operative Banks to the farmers would be taken into consideration. Based on the Government Resolution dated 28 June 2017, we do not find anything that renders the Petitioner ineligible for the benefit of the Loan Waiver Scheme.

7. The Bank of Maharashtra, however, filed an affidavit in this matter on 30 January 2019. The affidavit admits that the Petitioner has taken an agricultural loan from the Bank of Maharashtra, Yadrav Branch. However, the affidavit proceeds to state that such a loan was sanctioned under the “gold security scheme”, i.e. the loan was sanctioned on gold security provided by the Petitioner. The affidavit refers to a letter dated 27 October 2017 issued by the Government of Maharashtra purporting to correct the Government Resolution 28 June 2017. According to the bank, this letter dated 27 October 2017 gives a list of loan categories excluded from the benefits of the Loan Waiver

Scheme. The bank contends that serial No.17 in the excluded list are the loans taken against securities such as gold, fixed deposits and bonds etc.

8. Accordingly, the learned counsel for the Bank of Maharashtra, relying on the letter dated 27 October 2017, contends that since the Petitioner's loan was taken against gold security, such loan is excluded from the benefits of the Loan Waiver Scheme on which the Petitioner relies.

9. As noted earlier, we find nothing in the Government Resolution dated 28 June 2017 based upon which the Petitioner could be said to have been excluded from the benefits of the Loan Waiver Scheme. We have perused the letter dated 28 October 2017. In the first place, we are not quite sure whether a Government Resolution issued by the Government of Maharashtra on 28 June 2017 could have been amended or corrected by a letter addressed by the Commissioner and Registrar of Co-operative Societies, Government of Maharashtra, Pune. However, assuming that this was possible, based on the holistic construction of the list of excluded loans, the agricultural loan taken by the Petitioner could not be said to have been excluded from the benefits of the Loan Waiver Scheme.

10. The list which is appended to the Commissioner's letter dated 28 October 2017 reads as follows:-

**Term Loan to be excluded from below List**

Sr. No.	Particulars
1	Any loan due more than 84 months
2	Loan to small and marginal farmers for purchase of land for Agri. purpose
3	Loan on pledge/hypo. of Agri. Produce (including warehouse receipts)
4	Loan for construction of cold storage units / cold storage chain to store Agri. Produce
5	Soil conservation watershed development
6	Plant tissue culture and Agri. biotechnology, seed production, production of bio-pesticides, bio-fertiliser and vermi composting
7	Agri-clinics an Agri-business centres
8	Loan for food and agro processing
9	Bank loans to primary agricultural credit societies (PACS), farmers service societies (FSS), large area multi-purpose societies (LAMPS)
10	Loan sanctioned by banks to Micro Finance Institutions (MFI) for on lending to Agriculture sector
11	Loan given by money lender to farmer
12	Loan given for corporate / company farming
13	Other farming development loan
14	Farmer house and construction loan
15	Loan given for farming on agreement
16	Loan for motor car and motor cycle
17	Loan taken against securities such as Gold, Fixed Deposits and bonds etc.

11. In the first place, the list refers to "term loan". The Petitioner, in this case, has been admittedly granted an agricultural loan, which is different from a term loan. The loan sanction letter, no doubt, describes

this loan as a “short-term loan” for farm activities. However, suppose we refer to the above list. In that case, it is apparent that the reference is to loans to farmers for the purchase of land for agricultural purposes, the loans on pledge or hypothecation of agricultural produce, including warehousing receipts and loans for the construction of cold storage units on farmer house construction loans, etc.

**12.** Considering the sanction letter produced on record, the purpose of the loan, the admission in the affidavit, and the application of the interest rate applicable only to agricultural loans, we are satisfied that the Petitioner was sanctioned an agricultural loan. Only because this loan may have been secured by hypothecation or pledge of gold ornaments, we do not think the same falls within the excluded category. The excluded categories refer mainly to loans for acquiring capital assets related to agriculture and other matters.

**13.** The Petitioner had taken a loan of Rs.1,92,000/—purely for agricultural purposes. This position is not disputed. The Petitioner was required to offer security by way of gold ornaments, so we do not think this is a loan pure and simple against gold securities. Admittedly, even the interest rate applied by the bank for such a loan was 7%, which was a special rate for agricultural loans.

14. On cumulative consideration of the facts, circumstances and documents on record, we are satisfied that the Petitioner is covered under the Loan Waiver Scheme as formulated in the Government Resolution dated 28 June 2017.

15. Accordingly, we allow the petition and direct the Respondents to extend the benefit of the Loan Waiver Scheme dated 28 June 2017 to the Petitioner within two months from today.

16. On instructions, the learned counsel for the Petitioner states that the Petitioner will pay the amount over and above the waived amount of Rs.1.5 lakh, as payable on the application date, to the Bank of Maharashtra within four weeks from today. Upon receipt of this amount, the gold ornaments pledged by the Petitioner with the bank should be returned to the Petitioner.

17. The Petitioner would not be liable for any interest on the loan from the date of his application for a waiver until today, and the amount outstanding will be calculated only up to the date of his application for a waiver as per the Scheme. This is because we now hold that the Petitioner was covered under the scheme and was wrongly denied its benefit.

18. The rule is made absolute in the above terms, and there shall be no cost order. All concerned must act on an authenticated copy of this order.

[JITENDRA JAIN, J.]

[M. S. SONAK, J.]