

**NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION
NEW DELHI**

REVISION PETITION NO. 1013 OF 2017

(Against the Order dated 11/04/2016 in Appeal No. 522/2015 of the State Commission
Maharashtra)

WITH

IA/5143/2017,IA/5144/2017,IA/5145/2017

1. BANK OF MAHARASHTRA
THROUGH ITS MANAGER, BRANCH GONDEGAON
TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Petitioner(s)

Versus

1. ABHIJIT
R/O. GONDGAON, TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Respondent(s)

REVISION PETITION NO. 1014 OF 2017

(Against the Order dated 11/04/2016 in Appeal No. 523/2015 of the State Commission
Maharashtra)

WITH

IA/5143/2017,IA/5144/2017,IA/5145/2017

1. BANK OF MAHARASHTRA
THROUGH ITS MANAGER, BRANCH GONDEGAON
TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Petitioner(s)

Versus

1. NIRMALABAI SANJAY JANJAL
R/O. VANGAON TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Respondent(s)

REVISION PETITION NO. 1015 OF 2017

(Against the Order dated 11/04/2016 in Appeal No. 524/2015 of the State Commission
Maharashtra)

WITH

IA/5143/2017,IA/5144/2017,IA/5145/2017

1. BANK OF MAHARASHTRA

THROUGH ITS MANAGER, BRANCH GONDEGAON
TQ. SOYGAON,
DISTRICT-AURANGABAD

.....Petitioner(s)

Versus

1. PRAMILABAI BAPURAO BORSE
R/O. GONDEGAON TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Respondent(s)

REVISION PETITION NO. 1016 OF 2017

(Against the Order dated 11/04/2016 in Appeal No. 526/2015 of the State Commission
Maharashtra)

WITH

IA/5143/2017,IA/5144/2017,IA/5145/2017

1. BANK OF MAHARASHTRA
THROUGH ITS MANAGER, BRANCH GONDEGAON
TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Petitioner(s)

Versus

1. SUNITA RAJENDRA JANJAL
R/O. GONDEGAON TQ. SOYGAON,
DISTRICT-AURANGABAD
MAHARASHTRA

.....Respondent(s)

BEFORE:

HON'BLE MRS. M. SHREESHA,PRESIDING MEMBER

For the Petitioner : Ms. Garima Prashad, Advocate

For the Respondent :

Dated : 01 Aug 2017

ORDER

Challenge in this batch of four Revision Petitions, under Section 21(b) of the Consumer Protection Act, 1986 (in short “the Act”), is to the common order dated 11.04.2016, passed by the Maharashtra State Consumer Disputes Redressal Commission, Circuit Bench at Aurangabad (in short “the State Commission”) in First Appeals No. 522, 523, 524 and 526 of 2015. By the impugned order, the State Commission allowed the Appeals, preferred by the Respondents/Complainants, and modified the order dated 21.07.2015, passed by the District Consumer Disputes Redressal Forum at Aurangabad (in short “the District Forum”) in Consumer Disputes No. 582, 586, 583 and 585 of 2014 respectively, enhancing the amounts to be paid by Bank of Maharashtra, the Petitioner herein, to pay to the Complainants Abhijit, Nirmalabhai Sanjay Janjal, Pramilabai Bapurao Borse and Sunita Rajendra Janjal 1,00,000/-, 60,000/-, 50,000/-

and 60,000/- respectively, together with interest @ 9% from the date of filing of the Complaints till realization.

Since the Complaints and the Appeals, involving more or less similar facts and common issue, have been disposed of by the District Forum and the State Commission by their respective common orders, these Revision Petitions are also being disposed of by this common order. However, for the sake of convenience, Revision Petition No. 1013 of 2017 is treated as the lead case and the facts referred to hereinafter are also taken from the said Revision Petition.

The brief facts, as set out in the Complaints, are that the Complainants, being farmers, got their Banana crops insured by the Petitioner Bank with HDFC Ergo General Insurance Company (in short "the Insurance Company"). The instalment of the insurance premium payable to the Insurance Company, through the Petitioner Bank, was decided by the Insurance Company, on the basis of annual yield per hectare in accordance with the extent used for cultivation by each of the farmers mentioned in the Complaints. The individual farmers deposited their respective instalments towards the insurance premium through the Petitioner Bank, for the purpose of transferring the said amounts to the Insurance Company. It was averred that the Petitioner Bank did not send the premium amounts to the concerned Insurance Company and, hence, the claims made for the loss of Banana crop were not settled. It was pleaded that if the Insurance Company did not intend to cover the Banana crop in that area, then instalments of the premium amounts ought not to have been collected by the Bank. It was also averred that the Complainants were never informed by the Bank that the Banana crop was not covered under insurance and had they been informed, they would have exercised their option in choosing any other insurance company.

As noted above, pursuant to repudiation by the Insurance Company of their insurance claims for Banana crop loss, the afore-noted Complaints were filed before the District Forum, seeking a direction to the Petitioner Bank to pay the amounts towards the loss suffered by the Complainants.

The Petitioner Bank filed its Written Version before the District Forum, stating that it had forwarded the relevant documents to the Collecting Branch for scrutiny, and, after scrutiny, it was noticed that the "Banana crop" was not eligible for insurance and accordingly the Chief Manager of the City Branch Shahganj, Aurangabad, vide letter dated 12.11.2012, returned the said documents to the Petitioner Bank. It was averred that the insurance was applicable for Aurangabad for crops of sweet orange and guava and not for banana crop. It was pleaded that the premium amount, which was with the Petitioner Bank, was credited to the account of the Complainants, the information of which was given to the Complainants, together with the copy of the circular. The Petitioner Bank, therefore, stated that there was no deficiency in service on its part and sought for dismissal of the Complaints.

The District Forum based on the evidence adduced allowed the Complaints in part, directing the Petitioner Bank to pay the amount of 1,000/- together with litigation expenses, quantified at 2,000/- to each of the Complainants.

It is pertinent to note that there is specific finding of the District Forum to the effect that on getting the information that the farmers were not eligible to get the crop insurance cover for the chosen crop in that area, the Petitioner Bank did not convey the same by way of any correspondence/notice to the Complainants, which amounted to deficiency in service. **It is further observed from the record that this finding of the District Forum has not been challenged by the Petitioner Bank before the State Commission.**

When, dissatisfied with the order passed by the District Forum, the Complainants filed their respective Appeals before the State Commission, praying for enhancement of compensation, the State Commission allowed the Appeals and directed the Petitioner Bank to pay the aforesaid amounts to the Complainants, observing as follows:

“6. ... The scheme which was floated by State Government is implementation of pilot weather base crop insurance scheme in notified areas of Maharashtra state for horticulture crops in the year 2012-13. As per said scheme various insurance companies were appointed to consider the loss of respective crops of respective areas. As per annexure-A insurance company wise notified area and crop was shown. The G.R. dated 27.09.2012 is on record, according to which in the Aurangabad District crop of Sweet Orange, Gauva, Pomegranate and Banana are insured and HDFC ERGO is the insurance company who is to compensate the farmers. As the same scheme is between the State Government and insurance company the agreement is entered into between State Government and Insurance Company and all terms and conditions mentioned in the said scheme are binding on both of them. The insurance company, financial institutions/banks who are to forward the claims of the agriculturists and the State Government. But while perusing the record it seen that, Bank of Maharashtra mentioned in the Annexure-A that, for Aurangabad Region only sweet orange and Guava are the insured crop. In our view, said resolution noted by the Bank of Maharashtra Pune. Said resolution is not binding as it is not correct and proper. It is also seen from the record that the Aurangabad District Central Cooperative Bank deposited the insurance amount received by HDFC ERGO Co. in respect of loss of banana crop in the account of the farmer. Said deposit was made in the relevant period i.e. year 2012-13. In our view, therefore the contention of appellants that, respondent banks committed deficiency in service by not submitting their claims to the insurance company is to be accepted. As per the clause-1 of WBCIS-2012-13, if proposal form with certain premium amount are not submitted by the financial institutions within prescribed period to the insurance company, then financial institutions are liable to pay the compensation to the farmers/horticulturist. ...”

Hence, the present Revision Petitions by the Petitioner Bank.

Learned Counsel appearing for the Petitioner Bank submitted that the amount which was received by way of premium was credited back to the Complainants' accounts. The learned Counsel further submitted that it was only on scrutiny that it was noticed that the Banana crop was not eligible for insurance and the same was informed to the Complainants, though, not by any written communication.

It is an admitted fact that the premium amount was collected by the Petitioner Bank for insurance of the “Banana crop”, which, they contend, was not covered under insurance. A brief perusal of the written version as well as the grounds of Revision Petition does not specify anywhere the date on which the amount was credited to the Complainants account as also any written communication, informing the Complainants about the non-coverage of the Banana crop. It is pertinent to note that for the very first time a ground has been raised in these Revision Petitions that on 19.11.2012 an oral communication was made to the Complainants, informing them about

the non-coverage of the “Banana crop”. There is no such specific averment in the Written Version filed by the Petitioner Bank regarding oral communication made as on that date. To reiterate, the finding of the District Forum that the Petitioner Bank had not informed the Complainants by way of any correspondence/notice has become final. The State Commission has rightly relied on Clause-1 of Weather Based Crop Insurance Scheme (WBCIS) -2012-13 and observed that if proposal form with certain premium are not submitted by the financial institutions within the prescribed period to the Insurance Company, then they are liable to pay compensation to the farmers/horticulturists. Additionally, it is clearly specified in the guidelines that correct premium rates should be ascertained from the table given in the Scheme and premium computation, taking into consideration the Area under notified crops, multiplied by the premium rate, should be done accurately. *In case, farmers are deprived of any benefits under the Scheme due to errors/omissions/commissions on part of Branch/Nodal Branch, the concerned persons only shall make good such losses.* In the light of the specific guideline, it can be safely construed that the Petitioner Bank did not adhere to norms laid down in the Scheme, for which act of omission, they are liable to compensate the farmers.

In view of what has been stated above and bearing in mind the fact that there is no material to substantiate the contention of the Petitioner Bank that the Complainants were communicated that Banana crop was not included in the insurance coverage, the Complainants were denied of an opportunity to pursue another insurance coverage, which would cover the subject Banana crop.

For all the aforesaid reasons, these Revision Petitions are dismissed with no order as to costs.

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M. SHREESHA
PRESIDING MEMBER