



WP(MD)No.3417 of 2019

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved on :28.03.2024
Pronounced on :11.06.2024

CORAM:

THE HONOURABLE MR.JUSTICE **B. PUGALENDHI**

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- 1.V.Panneerselvam
- 2.S.Ramasamy
- 3.K.Kandasamy
- 4.T.Ramanathan
- 5.K.Kesevan
- 6.K.Selvarani
- 7.S.Jeyaraman
- 8.M.Rasappa
- 9.B.Navaneethan
- 10.M.P.Sembaiah
- 11.S.Indirani
- 12.V.Samimuthu
- 13.S.Marimuthu
- 14.S.Subramanian
- 15.K.Lawan
- 16.C.Prabakaran



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17.T.Kandeeban

18.S.Marimuthu

19.M.Kanchana

... Petitioners

Vs

1.The District Collector,
Pudukottai,
Pudukottai.

2.The Regional Manager,
New India Assurance Company Limited,
770-A, Anna Salai,
Chennai - 2.

3.The Branch Manager,
New India Assurance Company Limited,
Pudukottai,
Pudukottai District.

4.The Branch Manager,
Corporation Bank,
Kottaipattinam,
Pudukottai District.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of writ of certiorarified mandamus calling for the records relating to the impugned order dated 14.09.2018 in proceeding No.710000/2018/pudu/IT and to quash the same as illegal and null and void and consequently directing the 2nd respondent to settle the claim compensation and interest for the pending period as per the scheme Pradhan Mantri Fasal Bima Yojana (PMFBY) 2016-2017 to the petitioner's concerned within the time stipulated by this Court.



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For Petitioners : Mr.G.Mathavan
For Respondent : Mrs.D.Farjana Ghousia
No.1 Special Govt.Pleader
For Respondent : Mr.G.Prabhu Rajadurai
Nos.2 and 3

ORDER

These writ petitions are filed challenging the rejection of the petitioners' crop insurance claim under the Pradhan Mantri Fasal Bima Yojana. The 2nd respondent by his order dated 14.09.2018 rejected the petitioners' claim of crop insurance stating that the 4th respondent bank debited the premium amount for crop insurance on 30.12.2016, beyond the cut off date i.e., 15.12.2016.

2.The case of the petitioners is that they are agriculturists. They availed agricultural loan from the 4th respondent under Pradhan Mantri Fasal Bima Yojana[PMFBY]. While availing loan they took crop insurance by paying necessary subscription amount. While so due to the drought, they could not get yield from the crops they raised. Therefore they requested



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the respondent insurance company seeking crop insurance claim. However the respondent insurance company rejected their claim that their subscription was debited after the cut off date of 15.12.2016.

3.The learned Counsel for the petitioners submits that the petitioners made several request to disburse the crop insurance claim to them, however, they had not considered the same. The petitioners have paid the insurance premium before 15.12.2016. However, the bank has debited it on 30.12.2016 and the bank in turn remitted the same to the insurance company on 30.12.2016. The Government of Tamil Nadu has declared the entire State as drought hit due to failure of monsoon vide government order in GO.Ms.No.5 Revenue(Disaster Management) Department dated 10.01.2017. Most of the farmers were provided with 90% of the compensation amount, however, these petitioners alone have not been provided with the compensation. Moreover the District Collector has recommended the 2nd respondent to settle the claim to the petitioners vide his letter dated 05.09.2018 in



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No.Thi7/101/2018. Despite the recommendation of the District Collector, the impugned order came to be passed rejecting their requests.

4.The learned Counsel for the petitioners further submits that the petitioners have raised crop with great hardships after availing agricultural loan, in spite of the same, they could not get sufficient yield, due to failure of monsoon. Therefore their very livelihood is affected and if the compensation is provided it would some extent help them to lead the basic life. Therefore he prayed that these writ petitions be allowed by setting aside the impugned orders with a direction to the 2nd respondent to disburse the compensation.

5.The learned Counsel for the 2nd respondent insurance company submits that the Government of India considering the difficulties faced by the farmers in enrolling for crop insurance due to the demonitisation at that point of time, had extended the cut off date for debiting premium from their



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account from loanee and non-loanee. The petitioners have availed loan in the Corporation Bank, Kottaipattinam branch, which had debited the premium from the account of the petitioners only on 30.12.2016 after a delay of 15 days, which is evident from the statement of the respondent Bank. Therefore, the petitioners are not eligible for compensation as per the Operational Guidelines of the PMFBY.

6.The learned Counsel for the 4th respondent bank submits that as per the guidelines, the bank has to submit the proposal to the insurance company within a period of 15 days from the cut off date. The cut off date for paying premium is 15.12.2016. The bank has sent the proposal on 30.12.2016, therefore, well within the time limit, the bank has submitted the proposal to the insurance company for 329 loanees and paid a sum of Rs.6,07,950/- as premium. Therefore there is no delay on the part of the respondent bank. As per the scheme if there is any delay in making the payment, the insurance company is entitled to claim interest for the said



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delayed payment. However the insurance company has not claimed any such interest. Likewise, the insurance company cannot retain excess amount, if any paid, with it. But so far no such payment has been made by the insurance company. Neither they rejected the proposal nor repaid the premium. Therefore, the insurance company cannot reject the claim citing delay in payment.

7.This Court considered the rival submissions made and perused the materials placed on record.

8.The petitioner are agriculturists. They have availed agricultural loan under Pradhan Mantri Fasal Bima Yojana [PMFBY] and also subscribed to the crop insurance scheme. The cut off date for debiting the premium amount for the insurance scheme is 15.12.2016 and it has to be remitted within a period of 15 days from the cut off date by the bank to the insurance company. The bank debited the amount on 30.12.2016 and remitted the same with the respondent insurance company along with proposal on 30.12.2016. Though it



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is debited after the cut off date, it is remitted with the respondent insurance company within the time limit along with the proposal on 30.12.2016. The District Collector has also made recommendation for settlement of the compensation to the petitioners. However the insurance company has rejected the claim for compensation citing that the premium was debited after the cut off date.

9.The respondent insurance company received the premium amount along with proposal on 30.12.2016, which is evident from the respondent bank's statement, filed in the typed set of papers. The respondent insurance company having accepted the proposals and the premium amount of the petitioners on 30.12.2016, has taken a stand on 14.09.2018 that the premium amount was not debited within the cut off date. This stand of the insurance company cannot be accepted. If they are taking such a stand, at the first instance itself, they should have either rejected the proposal of the petitioners or should have repaid the premium amount stating that it was



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debited beyond the cut off date. One hand they have accepted the proposal on the other hand they are rejecting the claim. Both cannot be done simultaneously. The District Collector has also recommended for settlement of the compensation to the petitioners. Therefore the stand of the insurance company in refusing compensation to the petitioners is not justified, when they have accepted their proposals. Moreover the 2nd respondent has not placed any material to show that neither they had rejected the proposal nor had repaid the debited premium amount. Therefore this writ petition is allowed and the impugned order is set aside. The 2nd respondent is directed to forthwith disburse the eligible compensation to the petitioners.

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Index: Yes / No
NCC: Yes / No



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To

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