**HON'BLE THE ACTING CHIEF JUSTICE RAMESH RANGANATHAN**

**Writ Petition No.22387 of 2011**

**ORDER:**

The relief sought for, in this Writ Petition, is for a mandamus to declare the action of the respondents in not paying the crop insurance amount, released or to be released, to the petitioners, or in not adjusting the same to the petitioners crop loan account, as illegal and arbitrary.

It is the petitioners case that, in terms of the crop insurance scheme introduced by the Government of India, Banks would collect crop insurance premium at the time of sanction of the crop loan; they were informed that, in case the crop was damaged due to drought and other natural calamities, the insured amount would be paid to them; they had all raised red chilly crop in their lands in the year 2009-2010; because of drought, the entire crop was damaged; the Government had declared the entire Pagida Mandal, in Kurnool District, as a drought affected mandal; a gazette notification was also issued on 15.09.2009; and, though they approached the 3rd respondent-bank, the said bank did not pay the crop insurance amount to them.

In the counter-affidavit, filed on behalf of the 2nd respondent, it is stated that, under the Scheme, the insurance company only receives consolidated declarations from the designated Nodal Banks; no individual farmer's details are provided to them by the Bank; the designated Nodal Bank is Indian Bank, Kurnool; while disbursing crop loan, for the notified crops in the area, insurance premium is required to be debited to the loan account, and the premium amount is to be submitted to the 2nd respondent within the prescribed time; it is for the 3rd respondent to confirm whether or not the petitioners had paid premium; during Kharif-2009 season, the 2nd respondent had received only three declarations from Indian Bank, Kurnool for which no claims were payable as per the Scheme.

In its counter-affidavit, the 3rd respondent-Bank stated that the petitioners' loan accounts were not adjusted with the insurance premium; the petitioners' agricultural loans were rescheduled and disbursed, during Kharif-2009, sanctioning fresh crop loans; the petitioners did not pay insurance premium, and no insurance premium was received by the Bank; and, consequently, the Writ Petition is liable to be dismissed.

It is only if insurance premium is paid by the Bank, to the 2nd respondent, can the 2nd respondent be held liable to pay the policy amount to the petitioners for any crop loss they may have suffered. The case of the 3rd respondent-Bank is that the insurance premium was not deducted from the petitioners' loan account and, consequently, the question of payment of insurance premium by them to the 2nd respondent did not arise. The 2nd respondent cannot, therefore, be directed to compensate the petitioners for any loss they may have suffered because of the failure of crop due to drought or other natural calamities. Since the 2nd respondent would be liable to pay compensation only if the petitioners had paid insurance premium, and as the 3rd respondent-Bank denies insurance premium having been paid, the petitioners are not entitled to be paid the policy amount for the crop loss suffered by them.

The Writ Petition as filed is misconceived and is, accordingly, dismissed. The Miscellaneous Petitions pending, if any, shall also stand dismissed. No order as to costs.

**RAMESH RANGANATHAN, ACJ.**

Date:27-04-2018.
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