



W.P.(MD) No.2065 of 2020

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 18.04.2023

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THE HONOURABLE Ms.JUSTICE P.T.ASHA

W.P.(MD) No.2065 of 2020

V.Seemaichamy

... Petitioner

/vs./

1.The Chairman,
Agriculture Insurance Company of India Ltd.,
Old No.156 (New No.323) 1st Floor,
Andhra Insurance Building,
Thambu Chetty Street, Parry's Corner,
Chennai 600 001.

2.The Branch Manager,
Indian Bank,
Ramanathapuram Town,
Ramanathapuram.

3.The Tahsildar,
Taluk Office,
Ramanathapuram.

4.The Assistant Director,
Agricultural Development Office,
Ramanathapuram.

... Respondents



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PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Mandamus, directing the respondents especially the first respondent to take suitable steps to compensate the agricultural crops failure for fasali 1427 to the petitioner.

For Petitioner : Mr.N.S.Ponnaiah
For R1 : Mr.D.Srinivasa Ragavan
For R2 : Mr.R.Pandivel
For R3 & R4 : Mr.A.Sivanupandian
Government Advocate

ORDER

The above writ petition has been filed for a Mandamus to take suitable action to compensate the petitioner for the crops failure for the Fasali year 1427.

2.It is the case of the petitioner that he is a member of the Pradhan Mantry Fasal Bhima Yogana Scheme (*herein after referred to as scheme*). This scheme was introduced by the Government of India as a security/safeguard against the failure and loss of agricultural crops to farmers. The petitioner had applied for the said scheme on the web-portal of the said scheme on 23.11.2017 and the



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petitioner as per the instructions had also opened a bank account with the second respondent bank in Ramanathapuram and the 1st premium was paid from out of this account. The premium was a sum of Rs.3,479.92/-.

3.It is the case of the petitioner that he had cultivated an extent of 4.25.00 hectares of Punja lands in the month of November, 2017. Since the monsoon had failed, the paddy crops that had been cultivated had withered and did not produce any yield. This fact has been certified by the Village Administrative Officer. Thereafter, the petitioner has sent a legal notice to the respondents 1 and 2 on 03.06.2019, to which there has been no response and therefore, the petitioner has been constrained to approach this Court.

4.The first respondent, the Insurance Company, has filed a counter, in which it is submitted that the petitioner's application was returned, as the land documents as well as the revenue documents had not been attached to the application. The first respondent would submit that this application had been returned on 10.08.2018. Further, it is the case of the first respondent that since these documents had not been submitted, the premium amount was refunded back



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to the very same account on 20.04.2022. They denied receipt of the legal notice dated 03.06.2019. Therefore, they had pleaded that they are not bound to indemnify the petitioner. The second respondent has also enclosed two documents, a) the letter dated 10.08.2018 said to have been forwarded to the petitioner by speed post with acknowledgment card and b) with reference to the refunding of the premium amount.

5.The learned counsel for the petitioner would submit that the premium has been paid along with the application and thereafter there has been no letter from the first respondent or the second respondent that the petitioner's application is incomplete. In fact, there has been no response even to the legal notice, which was sent on 03.06.2019.

6.The learned counsel for the first respondent would submit that the application being incomplete, the premium had been refunded as per the procedure. He would draw the attention of this Court to guideline No.10 of the Operational Guidelines for the Pradhan Mantri Fasal Bima Yojana, where the procedure has been set out. He would submit that the petitioner came within the



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category of non-loanee farmers, since he has not got any loan sanctioned by Banks. The procedure contemplated that these non-loanee cultivators had to enclose an individual proposal form and summary details in declarations/listing sheet (MIS) and provide soft copy of the same and these details were to be uploaded directly to the crop insurance portal. When accepting the proposal, the responsibility is on the Insurance Company or its designated agents to verify the insurable interest and collect the land records with particulars of acreage, sum insured, crop sown etc.

7.The non-loanee farmers would enroll into this scheme either through channel partners or directly to the Insurance Company. In case, the non-loanee farmers were to personally approach the Insurance Company, they must support the request with sufficient documentary proof of ownership. If the fact furnished in the application is found to be untrue, the non-loanee farmer stood to loose the premium paid. It is also made clear that the Insurance Company retain the right to accept or reject the Insurance Policies, in case, the proposal is incomplete/not accompanied by necessary documentary proof/Insurance premium. Guideline 11



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would state that this rejection has to be made within one month of receipt of the proposal by the Insurance Company.

8.Clause 11 of the Operational Guidelines for the Pradhan Mantri Fasal Bima Yojana would read as follows:-

“11. Insurance companies retain the right to accept or reject insurance proposal(s) in case proposal is incomplete, not accompanied by necessary documentary proof or insurance premium ordinarily, within one month of receipt of proposal by Insurance Companies. If the proposal is rejected the insurance company will refund full collected premium.”

9.Heard the learned counsels appearing on either side.

10.Admittedly, the petitioner had submitted his application in the month of November, 2017. The premium amount has also been credited to the first respondent. From a very reading of the counter, it is seen that even according to the first respondent, the first letter seeking further documents has been issued



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only on 10.08.2018 nearly 9 months after the application had been submitted and the petitioner's account debited of the premium amount. Further, the refund has taken place only during the pendency of this writ petition i.e; on 20.04.2022.

11.It is rather surprising that without making submissions before this Court after receiving notice in this writ petition, the respondents have proceeded to refund the amount. Even in the very counter, the first respondent has stated that the reconciliation of the premium receipt from the farmers is done after the closure of the season. Therefore, insofar as the petitioner is concerned, the closure of the season should have taken place in 2018. There is nothing to show that the first respondent had reconciled the accounts before the said season. The conduct of the first respondent appears to be very indifferent and there is a reluctance to comply with the terms of the scheme. The very scheme has been introduced to compensate the farmers for the crop loss that they sustain. Therefore, it would defeat the very object of the scheme, if the genuine claim of a farmer is rejected on technicalities. In the instant case, it is the first respondent that has dragged its feet and not given the petitioner time to rectify the defect, if any. Therefore, since



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the entire delay is on the side of the first respondent and further since there is no proof to show that the letter dated 10.08.2018 had been received by the petitioner, this Court has to necessarily allow the writ petition as prayed for.

12.In fine, the Writ Petition is allowed with a direction to the respondents to process and pay the requisite insurance payment to the petitioner as expeditiously as possible. However, there shall be no order as to costs.

Speaking : Yes / No
NCC : Yes / No
Internet : Yes / No
Index : Yes / No

18.04.2023

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To

- 1.The Tahsildar,
Taluk Office,
Ramanathapuram.
- 2.The Assistant Director,
Agricultural Development Office,
Ramanathapuram.



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P.T.ASHA, J.

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