BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 10.04.2023

CORAM

THE HON'BLE MR.JUSTICE G.R.SWAMINATHAN

WP(MD)No.7416 of 2018

1.K.Gandhi

2.K.Muniandi

3.M.Muniammal

4.Mathivanan

5.Chithiravelu

6.C.Pugalendhi

7.R.Kamalam

8.P.Saibunnisa Begum

9.S.Rajagopal

10.K.Periyasamy ... Petitioners

Vs.

1.The Nodal Officer / District Collector,
District Collector, Sivagangai District.

2.The Branch Manager,
ICICI Lombard General Insurance Co.Ltd.,
First Floor, Sigma Towers,
29/35, Narayanasamy Layout,
P.N.Palayam, Coimbatore – 37.

3.The Branch Manager,
The Pandian Grama Bank,
Maravamangalam Branc,
Maravamangalam – 630 554,
Kalayarkovil Taluk,
Sivagangai District. ... Respondents

Prayer: Writ petition is filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus to direct the respondents herein to settle the amount of compensation for Crop – II Insurance under PMFBY scheme on the basis of the recommendation of the first respondent to the petitioners as per their representation dated 03.02.2018 within a reasonable time as may be fixed by this Court.

For Petitioners : Mr.S.Srinivasa Raghavan

For R-1 : Mr.V.Anand, Government Advocate

For R-2 : Mr.Veerakathiravan, Senior Counsel
for Mr.V.Muthukamatchi

For R3 : Mr.N.Dilipkumar, Standing counsel

ORDER

Heard the learned counsel on either side.

2.The petitioners are farmers. They hail from Kalayarkovil Taluk, Sivagangai District. They have accounts with the third respondent bank.

They took crop insurance for the year 2016-17. They also paid the requisite premium. During the said year, there was crop failure due to extreme drought. Inspection was conducted by the authorities. Recommendation was made for payment of compensation as per the relevant guidelines. But the petitioners were not paid the compensation as per the scheme. Their representations did not yield any result. Hence, this writ petition came to be filed.

3.The second respondent has filed counter affidavit and the learned standing counsel took me through its contents. It is admitted that Nallendal and Palkulam Villages have been included in their scheme. The second respondent insurance company had credited a sum of Rs.3,88,62,783/- under PMFBY Scheme for the year in question. The categorical stand of the second respondent is that based on the details furnished by the third respondent in the declaration form, the eligible amount had already been credited and that there is nothing further to be done at their end.

4.The third respondent had also filed their counter affidavit and the learned standing counsel took me through its contents. The contention of the third respondent is that on account of the software and portal issues, the bank experienced certain serious difficulties. It is stated that the officials from the insurance company were deputed to the regional office of the third respondent and certain mistakes had occurred while uploading the details. According to the third respondent, the second respondent is not fair in their dealings and that they are taking a technical stand unmindful of the beneficial nature of the scheme and that it is the second respondent who must be directed to settle the claims for the actual loss suffered by the farmers.

5.I carefully considered the rival contentions and went through the materials on record. It is beyond dispute that the petitioners had enrolled themselves under the crop insurance scheme for the year 2016-17. The petitioners were dealing only with the third respondent bank. The petitioners did have any direct interaction with the second respondent insurance company. It is a fact that the petitioners have suffered crop losses. There is a formula to calculate the loss and settle the compensation. Only when the farmers realized that they were not paid their due amount and agitated for the same, the third respondent woke up and submitted revised declaration after a hectic interaction with the second respondent. But the insurance company took the stand that since the timeline for submission of rectified declaration form was already over, they would not assume the liability or responsibility. The cut-off date for receiving premium from the farmers was 15.12.2016. In March 2017, declaration forms were received by the insurance company from the third respondent bank. By September 2017, the insurance company had settled the claim. But the third respondent sent the revised declaration forms only in October 2017. The insurance company rejected the revised declaration form vide communication dated 20.02.2018. The Government of India appears to have washed its hands off by holding that the guidelines of the PMFBY scheme will be followed. If the guidelines are applied, the insurance company cannot be made liable.

6.The guidelines make it clear that the collected amounts should be deposited with the insurance company within 15 days from the cut-off-date mentioning the total area of crop insured and number of farmers in the village in the form of declaration form. It is too obvious that the mistake had occurred on the part of the third respondent. Even in the minutes drawn by the District Collector, Sivagangai, it has been mentioned that only on account of the non-submission of the declaration by the bankers, the claims of the farmers could not be settled. I do not want to go into the *inter se* liability between the third respondent on the one hand and the second respondent on the other. It is for the third respondent to independently proceed in the matter against the second respondent. As far as the petitioners are concerned, it is the third respondent who has to answer. The third respondent is directed to settle the petitioners' claims as may be quantified by the first respondent within a period of eight weeks from the date of receipt of copy of this order. If the third respondent fails to do so within the time line stipulated above, it will carry interest at the rate of 6% per annum from the date of filing of this writ petition.

7.This writ petition is allowed. No costs.

10.04.2023

NCS : Yes / No
Index : Yes / No
Internet : Yes / No
SKM

To:

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G.R.SWAMINATHAN, J.

SKM

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