BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved on : 12.07.2024

Pronounced on : 23.08.2024

CORAM:

THE HON'BLE MR.JUSTICE K.MURALI SHANKAR

W.P.(MD)No.10406 of 2021
and
W.M.P.(MD)No.8091 of 2021

R.Natarajan ... Petitioner

Vs.

1.The General Manager,
State Bank of India,
Circle Top House,
No.16, College Road,
Nnugambakkam,
Chennai-600006.

2.The New India Assurance Company Ltd,
(Government of India undertaking),
Chennai Regional Office-710000770-A,
"DEWA TOWERS" III Floor, Anna Salai,
Chennai-600002.

3.The Branch Manager,
State Bank of India,
Kovilpatti Branch,
Tuticorin District. ... Respondents

Prayer : This Writ Petition filed under Article 226 of Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, by calling for the records relating to the impugned orders of the second respondent made in 710000/PMFBY/2021 dated 18.02.2021 and the impugned order of the third respondent dated 04.03.2021 and quash the same illegal, arbitrary and unsustainable and consequently direct respondents to disburse the insured amount to the petitioner and the Pradhan Mantiri Fasal Bima Yojana Scheme for the year 2016 to 2017 and pay the compensation a sum of Rs.30,000/- to the petitioner.

For Petitioner	: Mr.V.Angusamy
For R1	: No appearance
For R2	: Mr.G.Prabhu Rajadurai
For R3	: Mr.M.Kannan

ORDER

The Writ Petition is directed against the order dated 18.02.2021 passed by the second respondent and the order dated 04.03.2021 passed by the third respondent and for further directions to the respondents to disburse the insured amount with the writ petitioner relating to the Pradhan Mantri Fasal Bima Yojana Scheme for the year 2016-2017 and to pay the compensation of Rs.30,000/- to the writ petitioner.

2. It is not in dispute that the Government of India has announced an agricultural insurance scheme called as Pradhan Mantri Fasal Bima Yojana (hereinafter called as 'PMFBY').

3. The case of the writ petitioner is that the writ petitioner is an agriculturist maintaining account in the third respondent Bank, that the writ petitioner has paid Rs.720/- towards premium for the agricultural insurance scheme, that due to monsoon failure during the year 2016-2017, the writ petitioner was eligible to get the insured amount, that the writ petitioner approached the third respondent for availing the insurance amount, who in turn stated that they had forwarded the claim application and other details to the second respondent and awaiting the response from the second respondent, that the Regional Manager of the second respondent Insurance vide his letter dated 02.04.2019 addressed to the third respondent informing that they are processing the writ petitioner's claim, that since the insurance amount was not paid for long period, the writ petitioner approached this Court directing the respondents 2 and 3 herein to disburse the amount by filing a writ petition in W.P.(MD)No. 17972 of 2020 and this Court vide order dated 11.12.2020 directed the

respondents 2 and 3 to pass final orders by considering the representation dated 20.02.2020, that the third respondent has passed the impugned order dated 04.03.2021 stating that it is the responsibility of the second respondent to disburse the crop insurance compensation amount, but whereas, the second respondent has passed the impugned order dated 18.02.2021 stating that the Bank has committed error of not providing the details of farmer as per the procedures laid down in the Scheme, that the writ petitioner has been expecting insurance amount of Rs.48,000/-, which he is legally entitled as crop insurance amount under PMFBY Scheme but the respondents committed errors and that since the writ petitioner has been suffering physically, mentally and financially, he was constrained to file the present writ petition.

4. The third respondent has filed a counter affidavit stating that the second respondent has erroneously passed the order dated 18.02.2021 stating that as if the details as per the procedure of the Scheme has not been given by the third respondent and as if the premium has been refunded by the second respondent, that the third respondent has already sent all the particulars as per the procedure to the second respondent and

credited the amount to the account of the second respondent and the second respondent has not refunded the premium amount as claimed by them, that the third respondent has not committed any error and has performed his duty as per the Scheme, that the third respondent has sent reminders to the second respondent for processing the claim of the writ petitioner but there was no response, that the second respondent as an after thought has been contending as if the third respondent has not forwarded the papers for processing the claim and as if the amount of Rs.720/- has been refunded to the Bank and that there is absolutely no omission or negligence on the part of the third respondent.

5. The second respondent has filed a counter affidavit stating that as per the operational guidelines, the respondents 1 and 3 being the stake holders should have followed the procedure as required by the Scheme while giving the credit of premium of Rs.720/-, that the third respondent did not provide the details of the premium such as the name of the farmer, revenue village, District, area of the field and moreover, as there was no details about the source of the premium, the amount paid by the Bank was refunded back to the Bank, that the details of the premium of Rs.720/- was

provided to the second respondent by the third respondent only during the month of December-2018 upon receipt of the representation from the writ petitioner for non-settlement of claim, that it is the duty of the Bank to ensure that the premium and other details have been properly sent to the second respondent and that the third respondent has committed error of not providing the details of premium and farmers and the second respondent having refunded the premium is not liable to pay any amount as sought for by the writ petitioner.

6. It is not in dispute that the writ petitioner is the owner of agricultural lands measuring 2.91 hectare comprised in Survey Nos. 924/1A, 925/6, 926/6 and 930/17 of Vembakottai Village, Virudhunagar District. As already pointed out, admittedly, the writ petitioner has applied for the insurance scheme under PMFBY and paid Rs.720/- towards premium to the second respondent through the third respondent. It is also not in dispute that due to monsoon failure, the writ petitioner was certainly entitled to get the insurance amount of Rs.48,000/-.

7. Since the insurance claim was not settled, the writ petitioner was constrained to file a writ petition in W.P.(MD)No.17972 of 2020 seeking a

Writ of Mandamus directing the respondents to provide the premium amount for crop insurance in FY 2016-17 to the petitioner's agricultural land based on his representation and this Court, taking note of the submission made by the Bank authorities and Insurance authorities, directed the respondents 3 and 4 to consider the petitioner's representation dated 20.02.2020 seeking for crop insurance amount for the assessment years 2016-17 for his agricultural lands at Vembakottai Village, Virudhunagar District and pass final orders on merits and in accordance with law within a period of eight weeks from the date of receipt of a copy of that order. In pursuance of the said direction of this Court, the respondents 2 and 3 instead of settling the insurance claim, they have blamed each other and directed the writ petitioner to get the claim from other.

8. In the impugned order dated 18.02.2021 passed by the second respondent, it has been observed,

> "....
>
> *The roles and responsibilities of the Bank as a stakeholder are clearly spelt out in the Pradhan Mantri Fasal Bima Yojana (PMFBY) Operational guidelines ..."*

9. In the impugned order dated 04.03.2021, the third respondent has assigned the following reasons,

> *"The State Bank of India, Kovilpatti has received your premium for a sum of Rs.720/- on 13.10.2016 as PMFBY premium amount for crop insurance in F.Y. 2016-17. The said amount has been credited to the New India Assurance Account No. 10457373604 on 13.10.2016 the policy application has been forwarded on 14.10.2016 itself. We have also sent remainder letters on 03.12.2018, 26.02.2019 and 02.04.2019 stating that we have already sent the premium amount and policy application form and requested them to process your claim request. Whereas in your representation dated 20.02.2020 you have further stated as if the New India Assurance Company had sent you a reply dated 10.05.2019 in which they have stated that the documents relating to your crop insurance policies have not been sent by the Bank. The said order passed by the New India Insurance Company has not been communicated with the State Bank of India, Kovilpatti Branch. Whereas the fact remains that already the State Bank of India Kovilpatti Branch has sent the premium amount and the policy application form to the New India Assurance Company, Virudhunagar Divisional Office and it has been credited to their account. Till date the New India Assurance*

Company, Virudhunagar Divisional Office has not returned the policy application and the premium amount. There is no omission or negligence on the part of the State Bank of India, Kovilpatti Branch.

From the above narration of facts, it would be clear that it is the responsibility of the New India Assurance Company to disburse the crop insurance compensation amount to you and you are advised to suitably pursue your remedy against the New India Assurance Company Ltd., as per law."

10. Considering the reasons assigned by the respondents 2 and 3, it is atrocious to notice the way in which both of them have blamed each other by keeping the claim unsettled.

11. As rightly contended by the learned counsel appearing for the writ petitioner, the third respondent has taken a stand that premium amount has already been credited on 13.10.2016 with the second respondent account and policy application and other particulars have been forwarded on 14.10.2016 and that only on 10.05.2019, the second respondent has taken a stand that they have not received the documents.

But according to the second respondent, they have not received the premium amount of Rs.720/- within the time stipulated, that the details of the payment of premium was provided only during December-2018 upon receipt of the representation from the writ petitioner for non-settlement of the claim and that they have refunded the said amount to the third respondent account.

12. It is pertinent to note that the State Bank of India as well as the New India Assurance Company Limited are public sector undertakings and the very object of setting up the said undertakings are for the upliftment of the Society and played a major role in uplifting the economic condition of the Society. Being the public sector concerns, they are duty bound to execute the Schemes and to comply with the directions of the Government.

13. As rightly pointed out by the learned counsel appearing for the writ petitioner, in the operational guidelines of PMFBY, it has been specifically stated that Banks should ensure that cultivator may not be deprived of any benefit under the Scheme due to errors/omissions/

commissions of the concerned branch/PACS and in case of such errors, the concerned institutions shall only make good all such losses.

14. Considering the above facts and circumstances and the stand taken by the respondents 2 and 3, this Court is of the clear view that both the respondents 2 and 3 are to be blamed for not settling the claim despite the lapse of more than 6 years and as such, both are liable to pay the amount due to the writ petitioner. In case, if any of the respondents 2 and 3 is of the view that they are not liable, they are at liberty to recover the same from the other after settling the claim of the writ petitioner.

15. Since the respondents 2 and 3 are postponing the settlement of the claim, they are also liable to pay interest at 9% per annum from the date on which the amount is due to the writ petitioner till payment.

16. In the result, this Writ Petition is allowed and the order dated 18.02.2021 passed by the second respondent and the order dated 04.03.2021 passed by the third respondent are hereby quashed. The respondents 2 and 3 are jointly and severely liable to settle the claim and

both of them are directed to settle the insurance claim along with interest at 9% per annum from the date on which the amount was due to the writ petitioner till payment. Consequently, connected Miscellaneous Petition is closed. No costs.

23.08.2024

NCC :yes/No
Index :yes/No
Internet:yes/No
csm

To

1.The New India Assurance Company Ltd,
(Government of India undertaking),
Chennai Regional Office-710000770-A,
"DEWA TOWERS" III Floor, Anna Salai,
Chennai-600002.

2.The Branch Manager,
State Bank of India,
Kovilpatti Branch,
Tuticorin District.

K.MURALI SHANKAR,J.

csm

Pre-Delivery Order made in
W.P.(MD)No.10406 of 2021
and
W.M.P.(MD)No.8091 of 2021

Dated : 23.08.2024