BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 01.07.2024

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THE HON'BLE MR.JUSTICE **R.SURESH KUMAR**
AND
THE HON'BLE MR.JUSTICE **G.ARUL MURUGAN**

W.A(MD)No.1071 of 2024
and
C.M.P.(MD)No.8054 of 2024

The Joint Director cum Managing Director,
Sivagangai District Central Co-operative Bank,
Sivagangai. ... Appellant

vs

1.NN 564 Mithiravayal Primary Agricultural
Co-operative Credit Society,
Mithravayal, Karaikudi Taluk,
Sivagangai District,
Represented by its President, P.Maheswari.

2.The Director of Agriculture Co-operation
and Farmers Welfare,
Ministry of Agriculture and Farmers Welfare,
Krishi Bhavan, New Delhi – 110 001.

3.The Registrar of Co-operative Societies,
Office of the Registrar of Co-operative Societies,
Chennai.

4.The District Collector,
Office of the District Collector,
Sivagangai, Sivagangai District.

5.The Joint Director (Agriculture),
Office of the Joint Director of Agriculture,
Sivagangai District.

6.The Joint Registrar of Co-operative Societies,
Office of the Joint Registrar of Co-operative Societies,
Sivagangai.

7.The Deputy Registrar of Co-operatives,
Karaikudi, Sivagangai District.

8.Cholamandalam Ms General Insurance Co.Ltd.,
2nd Floor, Dare House,
No.2, SNC Bose Road, Chennai – 600 001. ...Respondents

PRAYER: Writ Appeal filed under Clause 15 of Letters Patent, to set aside the order of this Court dated 13.02.2024 passed in W.P(MD)No.19641 of 2020.

For Appellants : Mr.D.Shanmugaraja Sethupathi
For R3 to R7 : Mr.K.S.Selva Ganesan
Additional Government Pleader

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JUDGMENT

(Judgment of this Court was delivered by **G.ARUL MURUGAN, J.**)

This Writ Appeal is directed against the order, dated 13.02.2024, in W.P.(MD)No.19641 of 2020, whereby, the Writ Court had permitted the Writ Petitioner to file a representation before the fourth respondent, who shall place the same before the District Level Grievance Redressal Committee and the Committee can, thereafter, pass appropriate orders on merits by fixing the liability within a period of eight weeks.

2.The short facts involved in this appeal is that the first respondent, Primary Agricultural Cooperative Credit Society, which was entrusted to collect the premium amount along with relevant details from the farmers in the notified area as per Pradhan Mantri Fasal Bima Yojana (PMFBY) Insurance Scheme introduced by the Government of India, has to furnish the details to the concerned branch of District Central Cooperative Bank for uploading all the details in the web portal, that is maintained by the insurance company. While uploading the details of the farmers, certain errors have crept in, in respect of the name of the village and due to which, when the insurance claims were considered by the insurance company, the company had paid the amount based on the loss assessment report submitted by the officials. Due to the error that had crept in, which resulted in mis-reporting, the insurance company without settling 100% of the claim, had only paid 25% of the claim amount. The claim of the petitioner that 100% of the loss has to be honoured was rejected by the insurance company, which was challenged before the Writ Court.

3.The learned Judge after analysing the scheme and also taking note of the circular issued by the Registrar of Cooperative Society, dated 18.11.2017, found that it only has to be ascertained as to whether the Writ Petitioner Credit Society or the District Central Cooperative Bank was at fault in making an error in the entry. Since there was a grievance redressal mechanism provided under the scheme, the learned Judge had permitted the Writ Petitioner to file a representation before the fourth respondent/District Collector, who shall place the same before the District Level Grievance Redressal Committee and the Committee, after hearing the Writ Petitioner and the District Central Cooperative Bank, shall take a decision by fixing the liability within a period of eight weeks and the individual farmers can proceed against either the Writ Petitioner Cooperative Credit Society or the appellant herein based on the orders to be passed by the Committee. Aggrieved by the order passed by the Writ Court, the appellant is before this Court.

4.The learned Counsel appearing for the appellant argued that when the learned Judge has rightly referred the matter to the District Level Grievance Redressal Committee, as per the mechanism provided under the scheme, had erroneously given a clean chit to the liability of the insurance company and had only observed that the liability between the District Central Cooperative Bank and the Primary Agricultural Credit Society alone has to be fixed. The learned Counsel further submitted that as the insurance company alone is responsible for maintaining the details and implementation of the scheme, it is always the liability of the insurance company to ensure that the entries are done properly and when once the premium amount has been paid, the insurance company cannot shrink their liability from settling the full claim. In such circumstances, the order of the learned Judge observing that the Committee has to decide by fixing the liability only between the District Central Cooperative Bank and Primary Agricultural Cooperative Credit Society and exonerating the liability of the insurance company, is erroneous, he contended and sought for indulgence of this Court to allow this appeal.

5.The learned Additional Government Pleader appearing for the respondents 3 to 7 submitted that as and when the Committee takes a decision on merits, the same shall be informed to the farmers and based on which, subsequent proceedings shall be taken by them.

6.Heard the learned Counsels and perused the materials available on record.

7.The Government of India, on considering the difficulties faced by the agriculturalists due to the loss of the crop in view of several natural calamities and drought, to help the farmers to overcome the loss sustained by them, have introduced a crop insurance scheme in the name of "Pradhan Mantri Fasal Bima Yojana" (PMFBY) scheme. As per the scheme formulated, the farmers in the notified area has to remit the insurance premium along with their details in respect of the loss to the concerned jurisdictional Agricultural Cooperative Credit Society. The Society, after collecting details, will, in-turn, forward the same to the concerned branch of the District Central Cooperative Bank for uploading all the details into the web portal of the concerned insurance company.

8.As the insurance scheme is extended throughout the country and as the agriculturalists are illiterate and they will not be in a position to enter the details, that is required to be included in the crop insurance scheme and further, to have a proper mechanism to ascertain the correct land details situated in the villages and also to facilitate the farmers to pay the premium amounts, as per the scheme, the concerned jurisdictional Primary Agricultural Cooperative Credit Society is the nodal agency of the nodal bank to collect the insurance premium amount from the individual farmers along with other details in respect of land and the crops and enter the details so collected in the web portal of the insurance company.

9.In the instant case, the farmers after having paid the insurance amount and submitted the required details, as required under the insurance scheme, the Primary Agricultural Cooperative Credit Society had wrongly entered certain details particularly, in respect of the revenue village while uploading the details. When the insurance company considering the claims, the insurance company had paid the insurance amount only based on the loss assessment report submitted. In view of the wrong entries made by the Primary Agricultural Cooperative Credit Society, the insurance company instead of honouring 100% of the claim, had paid only 25% of the claim amount.

10.After the claim made by the Primary Agricultural Cooperative Credit Society to honour the entire claim of the farmers by the insurance company was rejected, the Writ Petitioner society had relied on the Circular, dated 08.11.2017 issued by the third respondent/Registrar of Cooperative Societies to the effect that it is the appellant/District Central Cooperative Bank that must upload the details and this responsibility should not be passed on to the Primary Agricultural Cooperative Credit Society. However, it is also the vehement contention of the learned Counsel for the appellant that it is the duty of the insurance company to verify the details entered and the insurance company cannot deny their liability by settling the entire claim of the farmers, even though there has been a wrong entry in so far as the village is concerned. In our considered opinion, this argument cannot be sustained for the simple reason that the primary duty of the Primary Agricultural Cooperative Credit Society, who had collected the premium amount, is to make a proper entry in the web portal and only for that purpose, they have been brought under this scheme, as nodal branch/bank.

11.When admittedly, the Primary Agricultural Cooperative Credit Society had committed an error, then it is for them to compensate the farmers and at the best, this dispute can only be between the Primary Agricultural Cooperative Credit Society and the appellant District Central Cooperative Bank, as to who was in-charge to make the entry and at whose end this mistake has been crept it. It is useful to refer Clause 24.2 of the operational guidelines issued under the Pradhan Mantri Fasal Bima Yojana (PMFBY) Insurance Scheme, which is extracted hereunder:

> *"24.2.In case of any substantial misreporting by nodal bank/branch in case of compulsory farmers coverage, the concerned bank only shall be liable for such mis-reporting. "*

12.The above clause makes it very clear that if there had been a wrong entry or any substantial mis-reporting by the concerned bank, then only the concerned bank shall be liable for mis-reporting. In such circumstances, in the instant case, when, admittedly, the farmers have paid the insurance premium and submitted their details, the wrong entry of the village has been made by the Primary Agricultural Cooperative Credit Society, which they disputed that it occurred only due to the entry on the part of the District Central Cooperative Bank.

13.In case of any issue, that arises in respect of settling of the insurance amount, a grievance redressal mechanism has been provided under clause 30 of the scheme itself and the same is extracted hereunder:

> *"30. Grievance Redressal Mechanism*
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> *30.1 At the initial level, for grievance redressal, each district shall designate district level grievance redressal officer preferably District Agri Officer to respond to the grievances of Farmers, Banks, ICs etc. within 7 days of receipt of grievance. In case of dissatisfaction the matter may be brought before District Level Grievance Redressal Committee (DGRC).*
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> *30.2 District Level Grievance Redressal Committee (DGRC): a district level monitoring Committee shall act as a grievance redressal Committee for redressal of grievances of Farmers, Banks, Insurance Company, District Authority/Department. This Committee will be headed by District*

Magistrate/Collector and representatives of Farmers, LDM/Banks, DDM NABARD, Insurance Company and concerned District Authority/Department shall be appointed as members. This Committee may also invite subject specialists/experts from University/IMD/commodity Boards/Research Institutions, SRSC etc. if deemed necessary. The Committee will dispose the matter within 15 days. The decision of the Committee shall be accepted by all the parties and in case of disagreement with the decision; the same shall be represented to the State Level Grievance Redressal Committee (SGRC) within 15 days from the decision of DGRC. In case the DGRC doesn't take the matter for discussion within7 days from submission of grievance or the grievance has wider scope of effect impacting more number of districts or there is a breach of guidelines by any of the stakeholder or the grievance matter exceeds Rs. 25 Lakh in monetary terms, the matter may be directly raised at State Level Grievance Redressal Committee.

30.3 State Level Grievance Redressal Committee (SGRC): a State level monitoring Committee shall act as a grievance redressal Committee for redressal of grievance of Farmers, Banks, Insurance Company, District Authority/Department which does not get settled at DGRC. This Committee will be headed by Principal Secretary/Secretary of Nodal Department , SLBC/Banks, CGM NABARD, Insurance Company and concerned State Authority/Department shall be appointed as members. This Committee may also invite subject specialists/experts from University/IMD/research institutions/commodity Boards/, State Remote Sensing Agency, STSU, STAC etc. if deemed necessary. The Committee will dispose the grievance within 15 days time of receipt of grievance. The decision of the Committee shall be accepted by all the parties."

14.As it has been the rival contention between the appellant District Central Cooperative Bank and the Writ Petitioner Primary Agricultural Cooperative Credit Society that wrong entry has been made by other party, it has only to be seen as to whether who was at fault and who has to compensate the concerned farmers, as they were not able to avail the entire insurance claim due to the wrong entries made.

15.On considering the above factual matrix and by taking note of Clause 30 of the operational guidelines provided under the scheme, the learned Judge had permitted the Writ Petitioner/Primary Agricultural Cooperative Credit Society to submit a representation before the District Collector/fourth respondent, who will place the same before the District Level Grievance Redressal Committee. A direction had also been given to the Committee to pass appropriate orders on merits by fixing the liability within a time period after hearing the parties. As per the decision arrived at by the Committee in fixing the liability between the District Central Cooperative Bank and the Primary Agricultural Cooperative Credit Society, the concerned farmers can be intimated, who shall make a claim and proceed against the party against whom, the liability has been fixed.

16.As the learned Judge has completely proceeded based on the terms and conditions formulated under the insurance scheme and also issued directions, which is completely in consonance with the Clause for grievance redressal scheme, we do not find any error or illegality in the approach of the learned Single Judge, which needs any interference. Accordingly, the order passed by the learned Judge is sustained and in view of the same, the Writ Appeal stands dismissed. However, there shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

[R.S.K., J] & [G.A.M., J]
01.07.2024

Internet :Yes/No
Index :Yes/No (1/2)
NCC :Yes/No

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To

1.The Registrar of Co-operative Societies,
Office of the Registrar of Co-operative Societies,
Chennai.

2.The District Collector,
Office of the District Collector,
Sivagangai, Sivagangai District.

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5.The Deputy Registrar of Co-operatives,
Karaikudi, Sivagangai District.

R.SURESH KUMAR, J.

AND

G.ARUL MURUGAN, J.

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Judgment made in
W.A(MD)No.1071 of 2024

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(1/2)