**BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

**DATED : 22.01.2025**

**CORAM:**

**THE HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY**

C.R.P.(MD)Nos.1310 to 1312, 1315 to 1317
& 1477 to 1482 of 2023
and
C.M.P.(MD)Nos.6606, 6611, 6613, 6615, 6617, 6621,
7498, 7501, 7506, 7507, 7510 & 7514 of 2023

In C.R.P.(MD)No.1310 of 2023:

The Secretary,
EE 107, Perunkulam Cooperative Rural Bank,
Perunkulam,
Srivaikuntam Taluk,
Thoothukudi. ... Petitioner/1st respondent

vs

1.Ayyanappillai ... 1st Respondent/appellant

2.Sub Registrar of Cooperative Rural Bank,
EE 107, Perunkulam Cooperative Rural Bank,
O/o. the Cooperative Sub Registrar,
Tooveypuram 3rd street,
Thoothukudi. ... 2nd Respondent/2nd Respondent

PRAYER: Civil Revision Petition is filed under Article 227 of the Constitution of India, to set aside the judgment and decree passed in C.M.A.(CS) No.43 of 2009 dated 27.08.2010 passed by the learned Principal District Judge, Thoothukudi.

For Petitioner
in all C.R.Ps : Mr.D.Shanmugaraja Sethupathi

For Respondents
in all C.R.Ps
for R1 : Batta due
for R2 : Mr.P.Thambidurai
Government Advocate

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**COMMON ORDER**

These Civil Revision Petitions have been filed challenging the impugned judgement and decree dated 27.08.2010 passed by the learned Principal District Judge, Thoothukudi.

2. The learned counsel for the petitioner would submit that by invoking Circular in Na.Ka.No.597/2006 CA7, dated 07.07.2006, for waiver loans received by the respondents, recommendations were sent to the Committee. However, the Committee has refused to consider the same, since

the nature of loans granted to the respondents are not agricultural loan. Therefore, the matter was referred to Arbitration. Claim petitions were filed on 07.03.2009 before the Arbitrator. In claim petitions, the Arbitrator has passed awards against the respondents holding that they are liable to pay the loans availed by them.

3. Aggrieved over the said awards, the respondents filed appeals before the Principal District Court, Tuticorin and the Principal District Judge, Tuticorin passed orders setting aside the awards by holding that the loans obtained by the appellants/respondents are only agricultural loans and therefore, they are qualified for waiver of loans in terms of the said Circular, dated 07.07.2006, as they are only short term loans. Aggrieved over the said judgments, the present Civil Revision Petitions have been filed.

4. The learned counsel for the petitioner in all revision petitions would submit that the loans, which were availed by the respondents, are not agricultural loans. The said loans were granted against security of agricultural produce. Therefore, the loans granted for the agricultural purpose against the

security will not fall under the category of waiver. However, he would submit that the loans were granted only for agricultural purpose.

5. The learned counsel for the second respondent in all revison petitions would submit that on various dates, the first respondents in all petitions/farmers have filed the applications for loan, i.e., on 06.03.2006, 07.03.2006, 13.03.2006, 16.03.2006, 20.03.2006, 22.03.2006 and 25.03.2006. All these applications (copy) have been filed before this Court. By referring to these applications, he would submit that these loans are only agricultural loans and the loan period is mentioned as five months. Therefore, these loans are short term loans, which consequently, fall under the purview of the eligibility criteria prescribed for waiver in the said Circular dated 07.07.2006. Therefore, without taking into consideration all these aspects, the awards were passed, against which, the appeals were preferred before the Principal District Judge, Tuticorin. The Principal District Judge, Tuticorin has rightly set aside the awards holding that these loans are only agricultural loans and consequently, the appellants/respondents are entitled to get waiver under the Circular in Na.Ka.No.597/2006 CA7, dated 07.07.2006. Therefore, he would

submit that there is no error in the judgment and decree passed by the Principal District Judge, Tuticorin. Hence, these Civil Revision Petitions are liable to be dismissed.

6. I have given my anxious consideration to the submissions made by the learned counsel for the petitioner and the second respondent and also perused the materials available on record.

7. The first respondents herein have filed applications for availing agricultural loans with the repayment period of five months by virtue of the applications, dated 06.03.2006, 07.03.2006, 13.03.2006, 16.03.2006, 20.03.2006, 22.03.2006 and 25.03.2006. Subsequently, the loans were approved and granted.

8. A perusal of the applications would show that the purpose of availing the loan is only for agricultural. The term has been mentioned as five months. As these loans are to be granted only to the members, all the respondents are the members.

9. Under these circumstances, on 07.07.2006, the Tuticorin District Central Co-operative Bank issued a circular in Na.Ka.No.597/2006 CA7, wherein, it is mentioned that short term loans granted for agricultural purpose also eligible for waiver.

10. In the present cases, the issue that has to be decided is as to whether the loans which were applied by the respondents/farmers, sanctioned and granted by the petitioner are agricultural loans or not?

11. In these cases, there is no dispute in the aspect that the loans were granted for agricultural purpose. The said aspect is also accepted by the petitioner. However, the learned counsel for the petitioner would submit that they were granted against the security of agricultural produce. Therefore, the petitioner is disputing the same.

12. In the said Circular, it has been mentioned that in case of short term loan, which are issued for the purpose of agricultural, those loans are eligible for waiver. With that object, the Circular was issued. Therefore, this

Court has to look into the aspect whether the loans were granted for the agricultural purpose or not.

13. In the said Circular, there is no mention regarding the security. Therefore, the waiver would apply for both category whether the loans were granted with security or without security. Ultimately, the purpose of the Circular is to waive off agricultural loans. Therefore, I am of the considered view that in the present cases, there is no dispute on the aspect that whether the present loans are agricultural loans and also short term loans and it was given only to the members for interest. Hence, I do not find any merit in the submissions made by the learned counsel for the petitioner and ultimately, by virtue of the Circular, dated 07.07.2006, as the loans were short term loans granted for a period of five months to the respondents, they fall under the category of short term loan eligibility. Therefore, there is no mention on the aspect whether the short term loans granted based on security are not eligible for waiver. If it is a short term loan either under security or without security, it automatically falls under the eligibility criteria prescribed under the said Circular, dated 07.07.2006. Therefore, the respondents are eligible to get

waiver of loans.

14. Even though the learned counsel for the petitioner has mainly highlighted the fact that the Committee has rejected the request of waiver, he has not produced any document to show that on what ground it was rejected. Based on the aspect that these loans were granted by obtaining security of agricultural produce of the applicants, the Committee has rejected their waiver applications, as they are not eligible to get the waiver. If it is so, as discussed above, the interpretation given by the Committee is not correct and that was not the purpose of the Circular, dated 07.07.2006. For all the reasons afore mentioned, I do not find any merit in the submissions made by the learned counsel for the petitioner and ultimately, these Civil Revision Petitions stand **dismissed** by confirming the judgment and decree passed by the Principal District Judge, Tuticorin. No costs. Consequently, connected miscellaneous petitions are closed.

15. The learned counsel for the petitioner would submit that in the event of this Court took a stand in confirming the order of the Principal

District Judge, Tuticorin or dismissing these petitions, he requested this Court to pass appropriate orders for the petitioner to send proposal to the Joint Registrar of Co-op Societies, Tuticorin for forwarding the same to the Government for the purpose of reimbursement of waiver amount.

16. It is made clear that the petitioner is not stopped from forwarding any proposal to the Joint Registrar of Co-op Societies, Tuticorin for reimbursement of waiver amount from the Government.

17. In view of the above, if any proposal is sent, the Joint Registrar of Co-operative Societies, Tuticorin is directed to forward the same to the Government for reimbursement of waiver amount within a period of three months from the date of receipt of the said proposal.

**22.01.2025**

NCC : Yes/No
Index : Yes / No
Internet : Yes / No
apd

To
The Principal District Judge,
Tuticorin.

Copy to:
The Joint Registrar of Co-operative Societies,
Tuticorin.

**KRISHNAN RAMASAMY,J.**

apd

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