

# VERDICTUM.IN

IN THE HIGH COURT OF KERALA AT ERNAKULAM  
PRESENT  
THE HONOURABLE MR. JUSTICE DEVAN RAMACHANDRAN

Wednesday, the 15<sup>th</sup> day of November 2023 / 24th Karthika, 1945  
WP(C) NO. 25152 OF 2023 (T)

## PETITIONERS:

1. NENMENI PADASEKHARA NELLULPADAKA SAMITHI, (REGISTRATION NO.250/94) NENMENI P.O., KOLLENGODE, PALAKKAD DISTRICT 678506 REPRESENTED BY ITS PRESIDENT, R.KRISHNAKUMAR
2. V.CHANDRAN, S/O VELU, BLARANGACHUVADU VEEDU, NENMENI P.O., KOLLENGODE, PALAKKAD DISTRICT 678506
3. P.A.SADASIVAN, S/O P.V.ANANTHAKRISHNA IYER, AGED 65 YEARS, THARISUPOTTAKALAM, NENMENI P.O., KOLLENGODE, PALAKKAD DISTRICT, PIN - 678506

## RESPONDENTS:

1. THE STATE OF KERALA REPRESENTED BY ITS PRINCIPAL SECRETARY TO THE GOVERNMENT, AGRICULTURAL DEPARTMENT, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM, PIN - 695001
2. THE KERALA STATE CIVIL SUPPLIES CORPORATION LTD., REPRESENTED BY ITS MANAGING DIRECTOR, MAVELI BHAVAN, GANDHI NAGAR ROAD, GANDHI NAGAR, KADAVANTHRA, ERNAKULAM, PIN - 682020
3. THE MANAGER (PADDY), KERALA STATE CIVIL SUPPLIES CORPORATION LTD., DISTRICT OFFICE, V.H.ROAD, PALAKKAD, PIN - 678002
4. THE KERALA BANK, KOLLENGODE BRANCH, REPRESENTED BY ITS MANAGER, KOLLENGODE P.O, PALAKKAD, PIN - 678506

Writ petition (civil) praying inter alia that in the circumstances stated in the affidavit filed along with the WP(C) the High Court be pleased to render an interim direction directing the 2nd and 3rd respondents to release the payment due to the members of the 1st petitioner Samithi who had supplied paddy during the month of April-May 2023 within a period of 10 days, pending disposal of the Writ Petition, in the interest of justice.

This petition coming on for admission upon perusing the petition and the affidavit filed in support of WP(C) and this court's order dated 05.09.2023 and upon hearing the arguments of M/S.BINOY VASUDEVAN & SREEJITH SREENATH Advocates for the petitioner, SRI.SANTHOSH PETER Advocate for R2 and of SRI.M.SASINDRAN Advocate for R4, the Court passed the following:

**DEVAN RAMACHANDRAN, J.**

-----  
**WP(C) Nos.23267/2023, 24835/2023, 25152/2023,  
25410/2023 and 25575/2023**  
-----

Dated this the 15<sup>th</sup> day of November, 2023

**O R D E R**

Today, the learned counsel for the petitioners submitted that their clients are now apprehensive like never before, on account of a recent incident involving the unfortunate suicide of a hapless farmer.

I do not propose to go into the details, but suffice to say that the petitioners' voiced apprehension is that, in spite of the judgment of this Court, most of them, as also various other farmers, who have availed loans under the 'PRS Scheme', are still treated as borrowers and their credit ratings are also affected.

Sri.Santhosh Peter – learned Standing Counsel for the Kerala State Civil Supplies Corporation ('Supplyco'), however, submitted

that the afore apprehension is untenable because, under the ‘PRS Scheme, the borrower is the ‘Supplyco’ and not the farmers. He submitted that this has been clarified by this Court; and therefore, that the afore fear of the petitioners have no reason.

Though, as I have already said above, the judgment of this Court is explicitly clear in its tenor that a farmer under the ‘PRS Scheme’ cannot be construed as a borrower in any manner whatsoever – whether the loan has been availed prior to its issue or after – the fact remains that there appears to be a doubt whether the consortium of Bankers are still construing them so, thus creating an impact on their credit rating.

I, therefore, asked Sri.Santhosh Peter whether his client is willing to inform the consortium of Bankers that the farmers are not the borrowers and that their credit rating cannot be affected by the ‘PRS loans’, to which he initially agreed, but then sought two day’s time to obtain formal instructions.

Though I propose to accede to the afore request of the learned Standing Counsel, I reiterate that, by no stretch can the farmers, who effectively sell grains to the Government under the Paddy Procurement Scheme, can ever be construed to be borrowers by any Bank, because it is only since the Government requires time to make payment against it, that they are forced to avail such facility. Normally, therefore, it cannot affect their credit rating either.

As has already been clarified in the judgment, the Banks cannot insist on any Security Document being executed by the farmers, nor can they impose upon them any condition akin to a borrower. This will be kept in mind by the 'Supplyco' when they respond to this Court.

Post these cases for further consideration on 22.11.2023.

Sd/-

**DEVAN RAMACHANDRAN,**  
**JUDGE**

RR