
(2016) 10 MEG CK 0007
In the Meghalaya High Court
Case No : Writ Petition (C) No. 5 of 2016

Prasanta Choudhury

APPELLANT

Vs

Union of India

RESPONDENT

Date of Decision : 20-10-2016

Acts Referred:

Constitution of India, 1950 — Article 226
Regional Rural Banks Act, 1976 — Rule 17(1)

Citation : (2016) 5 GauLT 646

Hon'ble Judges : S.R. Sen, J.

Bench : Single Bench

Advocate : Mr. H.R. Nath, Advocate, for the Petitioner; Mr. B.P. Todi, Sr. Advocate, Mr. K.K. Dey, Mrs T. Yangi and Mr. R. Deb Nath, CGC, for the Respondents

Final Decision : Disposed Off

Judgement

S.R. Sen, J.(Oral) - Heard learned counsel for the petitioner Mr. H.R. Nath as well as learned Sr. Counsel, Mr. B.P. Todi, assisted by Mr. K.K. Dey, Mrs. T. Yangi and Mr. R. Deb Nath, learned counsels for the respondents.

2. The brief facts of the case is that:

"1. The Petitioner files this instant writ petition against the order of stopping two graduation increment for graduate employees of the Regional Rural Banks, passed by the Chief General Manager (Rural Business) of the State Bank of India.

2. That the Central Government vide order dated 06.10.2005 (Annexure-II) order dated 24.7.2010 (Annexure-III) and order dated 31.7.2015 (Annexure-V) determines the pay scales and dearness allowance of Regional Rural Bank employees as equal to the corresponding categories of the employees of the employees of the National Commercial bank. Accordingly the employees of Regional Rural Banks are receiving two graduation increments for graduate employees since the year 2005.

3. Honourable Supreme Court in All India Regional Rural Bank Officers Federation verses Government of India & others decided on 7.3.2002 held that it would be power of the Central Government to decide the pay structure of the Regional Rural Bank employees u/s 17(I) of the Regional Rural Bank Act, 1976 and in doing so the Central Government would be bound to maintain parity between the pay structure of the National Commercial Bank employees and the Regional Rural Bank employees.

4. Thereafter on 04.11.2015 Chief General Manager (Rural Business) of the State Bank of India had written a letter (Annexure-VI-page-) addressed to all Chairmen of all the Regional Rural Banks ordering that it would not be in order to pay the two graduation increments of the graduate employees of the Regional Rural Banks and upon receipt of the letter the Chairman of Meghalaya Rural Bank has directed the Senior Manager (HRD) to stop the payment of graduation increments from this month.

5. The State Bank of India being the sponsor bank has got no authority to amend or alter the pay structure which has already been determined by the Government of India as such direction to stop the increments is arbitrary and illegal. Hence this Writ petition".

3. Learned counsel for the petitioner, Mr. H.R. Nath assailed before this Court that the letter dated 04.11.2015 issued by the Chief General Manager (Rural Business) is totally contradictory with the Rules provided under Regional Rural Bank Act, 1976. Learned counsel also further contended that the Chief General Manager (Rural Business) has no power to stop the increment or to take any decision on the salary of the employees of the Rural Bank. He further contended that Rule 17(1) made a clear provision that it is the Central Government who is to decide the remuneration of the employees or officers of the Bank, so necessary direction may be issued.

4. On the other hand, learned Sr. Advocate, Mr. B.P. Todi and Mrs. T. Yangi, learned counsels on behalf of the respondents factually agreed that it is the Central Government to decide the matter and not the Chief General Manager (Rural Business). However, they made an objection that the petition filed was premature as no decision has been arrived by the Central Government till date.

5. After hearing the submission advanced by the learned counsels for the parties and after perusal of Rule 17(1) of the Regional Rural Banks Act, 1976 from wherein it is clearly understood that it is the Central Government to decide the remuneration of the officers and staffs of the employees of the Regional Rural Banks and not the Chief General Manager (Rural Business). The provision of Rule 17(1) is reproduced herein below for ready reference:

"Regional Rural Banks Act, 1976

Act No. 21 of 1976

[9th February, 1976.]

17. Staff of Regional Rural Banks:- (1) A Regional Rural Bank may appoint such number of officers and other employees as it may consider necessary or desirable 1 *[in such manner as may be prescribed] for the efficient performance of its functions and may determine the terms and conditions of their appointment and service: Provided that it shall be lawful for a Sponsor Bank, if requested so to do by a Regional Rural Bank sponsored by it, to send 1 ***) such number of officer or other employees on deputation to the Regional Rural Bank as may be necessary or desirable for the efficient performance of its functions: Provided further that the remuneration of officers and other employees appointed by a Regional Rural Bank shall be such as may be determined by the Central Government, and, in determining such remuneration, the Central Government shall have due regard to the salary structure of the employees of the State Government and the local authorities of comparable level and status in the notified area."

6. Learned counsel for the petitioner also produced a judgment of the Hon''ble Apex Court in the case of Rural Bank Officers Federation & Ors. v. Government of India and Ors. on 7th March, 2002, Transfer Case (Civil) 403 of 1999. On perusal of the said judgment, it appears that the Hon''ble Apex Court ultimately accepted the contention of the Union Government as well as the Management of the Bank and came to hold that it would be the power of the Central Government to decide the pay structure of the employees of the Regional Rural Banks. The said portion of the judgment is reproduced herein below:

"Ultimately, this Court accepted the contention of the Union Government as well as the Management of the Bank and came to hold that it would be the power of the Central Government to decide the pay structure of the employees of the Regional Rural Banks under Section 17(1) of the Act and in so doing, the Government would be duty bound to maintain parity between the pay structure of the employees of the nationalised commercial banks and the employees of the Regional Rural Banks in the same sense and spirit as Justice Obul Reddi had decided."

7. After considering the submission advanced by the learned counsels for the parties and on perusal of Rule 17(1) of the Regional Rural Banks Act, 1976 and the judgment quoted above, I am of the considered view that the matter needs to be decided by the Central Government. Thus, the Secretary, Ministry of Finance, Government of India (respondent No. 1), Department of Economic Affairs. Banking Division, Department of Financial Services (Respondent No. 2) and the Under Secretary to the Government of India, Ministry of Finance, Department of Financial Services (Respondent No. 4) are hereby directed to look into the letter No. NB. IDD. RRCBD/698/316(Gen)/2015-16 immediately which was forwarded by the National Bank for Agriculture and Rural Development (Respondent No. 6-NABARD).

8. Accordingly, the impugned order passed by the Chief General Manager (Rural Business) dated 04.11.2015 is hereby set aside. However, petitioner will have to

wait till the Central Government decides the matter and the Central Government is further directed to decide the matter within 3(three) months from the date of this judgment. Mr. R. Deb Nath, learned CGC is hereby directed to communicate this order to the respondents No. 1, 2, 4 and 6 immediately. Registry is directed to furnish a copy of this order to the learned CGC within 48 hours.

9. With this observation and direction, this instant petition is allowed and stands disposed of.

MC (WP) No. 4 of 2016

In WP (C) No. 5 of 2016

In the light of the judgment and order passed in WP (C) No. 5 of 2016, dated 20.10.2016. this Misc. Case also stands disposed of.