
(2001) 12 AP CK 0011

In the Andhra Pradesh High Court

Case No : Writ Petition No. 10538 of 2001

R.L. Prasad and Others

APPELLANT

Vs

Managing Director, A.P. Scheduled Caste Service Co-operative
Finance Corporation Ltd. and Others

RESPONDENT

Date of Decision : 28-12-2001

Acts Referred:

Constitution of India, 1950 — Article 226

Citation : (2002) 5 ALT 8

Hon'ble Judges : I. Venkatanarayana, J

Bench : Single Bench

**Advocate : Ch. Satish Kumar, for the Appellant; G.P. for Social Welfare for
Respondent Nos. 1, 2 and 4 and M.V.S. Suresh Kumar, for the Respondent**

Final Decision : Allowed

Judgement

I. Venkatanarayana, J.—The petitioners are all the employees of the A.P. Scheduled Caste Service Cooperative Finance Corporation Limited, Hyderabad, which is a statutory Corporation constituted by the Government of Andhra Pradesh in the year 1974 with avowed object of evolving certain economical developmental schemes by the funds allocated by the Central and State Governments and to implement the said schemes for up-liftment of the Scheduled castes beneficiaries in the State through the District Societies. The said Corporation has been registered under the provisions of the A.P. Co-operative Societies Act. The District Collector is the Chairman of the said Society at the District level. The petitioners who are all the employees of the Corporation were constrained to invoke the jurisdiction of this Court under Article 226 of the Constitution of India seeking for a direction to the respondents to pay their salaries from August, 2000 till today. The petitioners are all appointed during 1987-1994 in various capacities. It would appear that the respondent-Corporation stopped paying salaries without assigning any reasons. The petitioners made representations dated 12-12-2000, 8-10-2000 and 4-5-2001 to

the first respondent for payment of their salaries, however, the same were not yielded any result. Aggrieved by the embolden inaction on the part of the first respondent, the petitioners have come up with the present Writ Petition.

2. It is an undisputed fact that the petitioners have not been paid salaries from the month of August, 2000.

3. In the counter-affidavit filed on behalf of the Vice-Chairman and Managing Director of the respondent-Corporation, he admitted the factum of non-payment of salaries to the petitioners. It is stated in the counter that the Engineering Wings attached to the respondent-Corporation are running under losses and therefore, salaries are not paid. Reliance is placed on G.O.Ms.No. 200, SW (SEP.II) Department, dated 12-9-1985 whereunder an "where through, the Engineering wing in each of the districts are created for the purpose of implementing the construction work undertaken by the District Societies. In order to supervise the technical work undertaken by the concerned engineering wing, the Government vide G.O.Ms.No. 164, dated 11-7-1986 created three engineering wings with headquarters at Cuddapah, Hyderabad and Guntur. It is clear from the said Government Order that the financial assistance shall be met from the central assistance as was done in regard to engineering wing already, created by the Government vide G.O.Ms.No. 200, dated 12-9-1985. In short, it is the contention of the first respondent-Corporation that as per the Government Orders and circulars issued from time to time, Engineering divisions have to bear salaries of the staff working in the respective circles. Their salaries have to be met out from out of MS & PS charges collected from the funds allotted for construction of the work and since there are no works in the engineering wings, they are not earning MS and PS charges. It is also stated that a letter has been addressed to the Government on 6-8-2001 and the respondents are awaiting orders from the Government.

4. Subsequent to the filing of the present Writ Petition, the Government of Andhra Pradesh has been impleaded as party-respondent to the Writ Petition. A counter affidavit was filed on its behalf placing reliance on G.O.Ms.No. 200, dated 12-9-1985 and also G.O.Ms.No. 164, dated 11-7-1986 under which recurring cost of the Engineering Wing will have to be met from the supervising charges permitted under the existing instructions. The learned Government Pleader for Social Welfare submits that as per the orders issued under G.O.Ms.No. 200, dated 12-9-1985, the Government is not liable to make recurring expenditure and that the salaries of the writ petitioners have to be earned and paid up from the execution of the works undertaken by the respective division officers. It is further submitted that they are not the Government employees and as such, there is no budgetary provision to pay the salaries of the petitioners.

5. There is no dispute or denial of the fact that the petitioners are all the employees of the respondent-Corporation and the said respondent-Corporation has been created with an avowed object of upliftment of Scheduled Castes beneficiaries in the State. It is to be seen that the District Collector is the

Chairman of the Society at the district level and as per the Bye-laws of the Corporation, they are under the supervisory and administrative control of the respondent-Corporation. It is also to be seen that this Corporation is created by the State and is managed by an Indian Administrative Service Officer. Neither the Corporation nor the State can abdicate from the responsibility of payment of salaries. An employee is certainly entitled to salary as it is his/her livelihood. An employee looks for the first day of every month for his salary packet. The problem involved is a human problem. If the respondent-Corporation becomes uneconomic and not viable, the State ought to have taken necessary steps to wind-up the respondent-Corporation. No useful purpose will be served by continuing the respondent-Corporation, if it is unable to serve for the object for which it is created.

6. The respondent-Corporation is a creation of the State under a Statute and the State has to undertake the responsibility of supervising the administration of the Corporation. The State cannot abdicate the responsibility of payment of salaries to the employees of the Corporation.

7. Having regard to the totality of the facts and circumstances of the case, there shall be a direction to the State Government to pay salaries to the petitioners within a period of eight weeks from the date of receipt of a copy of this order. This Court is of the opinion that since the respondent-Corporation is unable to serve its purpose, it is advisable to wind-up the said Corporation in the interest of State.

8. The Writ Petition is allowed accordingly. No costs.