

DURGA NARAYAN

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CHAIRMAN AND MANAGING DIRECTOR, DENA BANK

JANUARY 20, 1995

[A.M. AHMADI, CJ, B.L. HANSARIA AND S.C. SEN, JJ.]

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Service Law—Appointment—Economic Officer in Dena Bank—Officer having been put in pay scale of Rs. 700-1800 as laid down by Pillai Committee—Claim of fitment under Dena Bank (Officer's) Service Regulation 1979—Not sustainable—DA payable as recommended by Pillai Committee—Bank Directed to verify and pass speaking order.

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Appellant was offered appointment on 26th May, 1978 in the Dena Bank as Economic Officer in pay scale I as laid down by the Pillai Committee, which was Rs. 700-1800, with other allowances, perquisites and benefit as per the Pillai Committee recommendations. The appellant joined the Bank and after about 10 years of his service claimed fitment benefit in the new pay scale as recommended by the Pillai Committee for 'Scale C' Officer who were categorised as 'Junior Management Grade Scale' Officers by the Committee. The High Court dismissed the writ petition filed by the appellant. Hence this appeal.

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The appellant alleged that though basic pay meant for Junior Management Grade Scale I Officer as recommended by Pillai Committee was made available to him, the fitment of which mention had been made in Dena Bank (Officer's) Service Regulations, 1979, had not been done. He argued that if anything further was due to him, same might not be denied on the ground of estoppel.

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The Bank contended that the appellant was not entitled to any fitment under the Regulation inasmuch as question of fitment could arise only for the existing Officers and not for new appointees like the appellant. It was stated that whatever was made available by the Pillai Committee's report to incumbent like appellant had been given while offering appointment to him.

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The question raised for consideration was whether by fixing his basic pay at Rs. 700 at the time of his appointment itself, the benefit had been

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A made available to the appellant or not.

Dismissing the appeal, this Court

B HELD : 1.1. Though Pillai Committee's recommendations were formally made effective from 1st July, 1979 the same had come to be implemented with effect from 1st May, 1978 and it was because of this, that though the appellant's offer of appointment was dated 26th May, 1978 his basic pay was stated as Rs. 700, though in the advertisement, which was published on 25/26 August, 1977 pursuant to which appellant had applied, emoluments to be given were said to range from Rs. 325 to Rs. 925. [517-C-D]

C 1.2. The appellant was not entitled to any amount as the question of fitment could arise only qua those officers who were in the old scale of pay and which came to be revised pursuant to Pillai Committee's Report, and not qua those who had already been given new pay scale, as was the appellant. [517-F]

D 2.1 Perusal of the Report shows that apart from the matter relating to the pay scale, it dealt with "Amenities, Facilities and Benefits in Kind" which formed subject matter of Chapter 7 of the Report. So, the claim of fitment cannot be sustained on the basis of what was recommended on the score of benefits in kind. [518-B]

E 2.2 DA, as per chart I given in the booklet title "Pay Scales, Allowances and perquisites of Officers in the Nationalised Banks" issued by All India Conference of Bank Officer's Organisation (Maharashtra State Unit), of those officers whose basic pay is Rs. 700 is required to be Rs. 450. If this was so as per the recommendations of the Pillai Committee, the DA of the appellant would be required to be raised to Rs. 450. The Bank shall verify this and do the needful within a period of two months by passing a speaking order in this regard. [518-F-G]

G *Shri Devendra Management Trainee v. Punjab National Bank, JT* (1993) 6 SC 537 distinguished.

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 870 of 1995.

H From the Judgment and Order dated 31.3.93 of the Madhya Pradesh High Court in M.P. No. 251 of 1988.

U.N. Bachawat and H.M. Singh for the Appellant.

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R.C. Pathak and Ms. Prana Tandon for the respondent.

The Judgment of the Court was delivered by

HANSARIA, J. The Government of India, by a resolution dated July 19, 1973 appointed a committee consisting of five members to standardise pay scale, allowances and perquisites of the Officers in the 14 Nationalised Banks. The Committee came to be popularly referred as the 'Pillai Committee' named after its Chairman. It submitted its report in May 1974. The Government appointed a Study Group of Bankers in September 1976 to make suggestions for the implementation of the report. The Committee suggested certain modifications in the method of implementation and submitted its further report in February 1977; and the Government adopted the report as modified by the Group of Bankers.

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2. The question of implementation of the report as adopted by the Government was discussed by the Indian Bank's Association with various representatives of all the Confederations of Banking Officers' Organisation; and the Secretary of this Association addressed a private and confidential letter to Chief Executives of various Banks including Dena Bank on March 15, 1978 that the Government has desired to bring Pillai Committee's recommendations in force latest with effect by May 1978. The Chief Executives were, therefore, advised to take steps to introduce the new scale of pay and allowances as per the Committee's report and to make appropriate fitment in the emoluments of the existing officers with effect from 1st May, 1978, or even earlier if so desired, after discussion with the organisations representing the Officers. This letter further informed the Chief Executives about the desire of the Government that all new appointments on or after 1st May, 1978 should be on the terms and conditions contained in the Pillai Committee report.

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3. The aforesaid communication was followed by a secret letter from the Joint Secretary of the Ministry of Finance, Department of Economic Affairs (Banking Division) dated March 28, 1978, mentioning about the concern of the Government about the delay in the implementation of the recommendations of the Pillai Committee. In view of this, the Banks were advised by the Joint Secretary that if there is going to be delay in the total implementation of the recommendations, immediate steps should be taken

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A to bring the new pay scales and allowances applicable to all new recruits and new promotees from clerks to Officers cadre, pending fitment of the existing officers in the new scales. This letter contains some other advice also.

B 4. It is in the aforesaid background that the Dena Bank (hereinafter 'the Bank') offered to appoint the appellant, pursuant to his application, in the Bank as Economic Officer in the pay scale I as laid down by the Pillai Committee, which is Rs. 700-1800, with other allowances, perquisites and benefits as per the Pillai Committee recommendations. This offer is dated 26th May, 1978 and states that the present emoluments would be as under:-

C	Basic Pay	Rs.	700.00
	Dearness Allowance	Rs.	311.00
			1011.00
			1011.00

D 5. The appellant joined the Bank accordingly and after about 10 years of his service approached the Madhya Pradesh High Court with the grievance that he had been denied some increments in "Scheme C" meant for Officers. He also claimed for the first time about his fitment in the new pay scale as recommended by the Pillai Committee for "Scale C" Officers who were categorised as 'Junior Management Grade Scale I' Officers by the Committee. The High Court dismissed the writ petition. Feeling aggrieved, this appeal has been filed.

F 6. There is no dispute that the appellant is entitled to the benefit conferred by the report in question. Question is whether by fixing his basic pay at Rs. 700 at the time of his appointment itself, the benefit has been made available to him or not. The contention of the appellant is that though the basic pay meant for Junior Management Grade Scale I Officer as recommended by Pillai Committee was made available to him, the fitment of which mention has been made in Dena Bank (Officer's) Service Regulations, 1979. (hereinafter the Regulation) has not been; and it is this claim of his which he is pursuing. The case of the Bank on the other hand is that the appellant is not entitled to any fitment of which mention has been made in para 8 of the Regulation inasmuch as question of fitment can arise only

H for the existing officers and not for new appointees like the appellant. The

further case of the Bank is that whatever was made available by the Pillai Committee's report to incumbent like the appellant had been given while offering appointment to him, as has been clearly stated in the offer of appointment by which the appellant was made aware of the recommendations which he had read and noted as endorsed by him in the offer of appointment. To this the reply of the appellant is that if anything further is due to him, same may not be denied on the slippery ground of estoppel, which was also one of the reasons which had prevailed with the High Court in dismissing the writ petition.

7. There can be no denial on the facts as noted above that though Pillai Committee's recommendations were formally made effective from 1st July, 1979, the same had come to be implemented with effect from 1st May, 1978; and it is because of this, that though the appellant's offer of appointment is dated 26th May, 1978 his basic pay was stated as Rs. 700, though in the advertisement, which was published on 25/26 August, 1977 pursuant to which appellant had applied, emoluments to be given were said to range from Rs. 325 to Rs. 925. So, the only question left for our consideration, as already indicated, is whether anything further is due to the appellant because of what has been stated in para 8 of the Regulation relating to fitment.

8. According to us, the appellant is not entitled to any amount on this score for the following reasons :

(1) The question of fitment can really arise only qua those officers who were in the old scale of pay and which came to be revised pursuant to Pillai Committees' Report, and not qua those who had already been given new pay scale, as was the appellant.

(2) Para 7 of the Regulation which deals with categorisation shows that Scale 'C' post was placed in Junior Management Grade Scale I. The appellant having been put in the pay scale of Rs. 700-1800, which as per the Report was meant for Junior Management Grade Scale I, there is sufficient force in the contention advanced on behalf of the Bank in the written submissions, filed on 11.1.95, that the appellant was not holding the post in Scale 'C' on 1.7.79; and insofar as he is concerned, this post had already been equated with Junior Management Grade Scale I at the time of his appointment.

A (3) The contention of the appellant as advanced in "Short Note of
Argument" submitted on 10.1.95 that he was entitled not only to the pay
scale laid down by the Pillai Committee Report but benefits also (which
word has been emphasised) has no cutting edge inasmuch as persual of the
Report shows that apart from the matter relating to the pay scale it dealt
B with "Amenities, Facilities and benefits in Kind" which formed subject
matter of Chapter 7 of the Report. So, the claim of fitment cannot be
sustained on the basis of what was recommended on the score of benefits
in kind.

C (4) The decision of this Court in *Shri Devendra Management Trainee*
v. Punjab National Bank, JT (1993) 6 SC 537, which has been referred in
the aforesaid note of the appellant in support of his submission, does not
really advance his case, because, as rightly mentioned in the written sub-
missions on behalf of the Bank, that case was different on facts. Therein
the employees were not initially appointed in the regular pay scale as
D recommended by the Pillai Committee Report but were given fixed emolu-
ments of Rs. 700. It is because of this that they were ordered to be given
the benefit of the Pillai Committee Report. Facts here are quite different.

E 9. We are, therefore, of the view that there is no merit in the
contention of the appellant that he is entitled to any higher emolument on
the score of 'fitment'. But then the offer of appointment which was given
to the appellant shows that while fixing his emoluments, Dearness Al-
lowance (DA) was mentioned as Rs. 311.50. We, however, find that DA,
as per Chart I given in the Booklet title "Pay Scales, Allowances and
perquisites of Officers in the Nationalised Banks" issued by All India
F Confederation of Bank Officer's Organisations (Maharashtra State Unit),
of those officers whose basic pay is Rs. 700 is required to be Rs. 450. If
this was so as per the recommendations of the Pillai Committee, the DA
of the appellant would be required to be raised to Rs. 450. The Bank would
verify this and do the needful within a period of two months from today by
G passing a speaking order in this regard, a copy of which would be sent to
the appellant for his information.

10. Subject to the aforesaid observation relating to change in DA, the
appeal is dismissed. On the facts and circumstances of the case, we,
however, make no order as to costs.