

CASE NO.:
Transfer Case (civil) 79 of 2005

PETITIONER:
A.P.BANK DEPOSIT COLLECTORS ASSOCIATION & ANR.

RESPONDENT:
STATE BANK OF INDIA & ANR.

DATE OF JUDGMENT: 28/02/2008

BENCH:
H.K. SEMA & MARKANDEY KATJU

JUDGMENT:
JUDGMENT

O R D E R
WITH

TRANSFERRED CASE(C)NOS.85/2005, 80/2006, 95/2006, 108/2006,
109/2006, 110/2006, 111/2006, 112/2006, 156/2006, 80/2005,
81/2005, 82/2005, 157/2006, 13/2007, 81/2006 AND
I.A.NOS. 15-41 IN T.P.(C) NOS.645-658/2004

TRANSFERRED CASE(C)NOS.79/2005,85/2005,80/2006,95/2006,108/2006,
109/2006, 110/2006, 111/2006, 112/2006, 156/2006, 80/2005,
81/2005, 82/2005, 157/2006, 13/2007, 81/2006

All these transferred cases arises out of the Circular dated 4.6.2001, issued by the State Bank of India(herein after the Bank), discontinuing with the Janata Deposit Scheme. Since, the common facts and law arises in all these transferred cases we propose to dispose of the cases with this common order. For the sake of brevity we are taking facts from Transferred Case (C)No.110/2006.

Sometime in 1971 a policy decision has been taken by introducing Janata Deposit Scheme. It is stated as the Scheme is not viable and, therefore, by the impugned Circular dated 4.6.2001 the Scheme was abandoned/discontinued. Several writ petitions have been filed in the different High Courts in the country challenging the Bank's decision dated 4.6.2001 discontinuing with the Scheme principally praying for a writ of mandamus for a direction to continue the Scheme and writ of certiorari to quash Bank's policy decision dated 4.6.2001. To avoid the multiplicity of proceedings and conflicting decisions the writ petitions have been transferred to this Court and it is how they are placed before this Court for disposal.

We have heard the parties at length. It is undisputed that the Janata Deposit Scheme was introduced in 1971 based on the policy decision of the Bank. It is also not disputed that by another Bank's policy decision by Circular dated 4.6.2001 and similar other circulars were issued in other Circles discontinuing with the Scheme. Since the Bank's Circular dated 4.6.2001 is relevant for the purpose of disposed of all these transferred cases the same is extracted in extenso :

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STATE BANK OF INDIA
CIRCULAR MEMO NO.CFO/BOID/54 OF 2001

TO
THE DY.GENERAL MANAGERS/
ASST. GENERAL MANAGERS/
CHIEF MANAGER/BRANCH
MANAGERS OF ALL BRANCHES/
OFFICE,
OFFICES IN LUCKNOW CIRCLE

FROM
BANKING OPERATORS
DEPTT.
STATE BANK OF INDIA
LOCAL HEAD
LUCKNOW

DATED: 4.6.2001

PERSONAL BANKING SEGMENT
JANATA DEPOSIT SCHEME

EXTANT INSTRUCTIONS

The above scheme was introduced in 1971 with a view to inculcating savings habit among the low income group and to mobilize small savings at their doorsteps, with the passage of time the scheme has lost its popularity specially in view of the changed Banking scenario in the country. The scheme is not also economically viable and has contributed to a number of frauds.

REVISED INSTRUCTIONS

In view of the above, it has been decided to discontinue the scheme with effect from 1st July, 2001 with the provision that the existing accounts will be allowed to run till their maturity. Accordingly, no new account will be opened or additional deposit received in the existing accounts from 1st July, 2001.

2. Personnel & HRD Department at this office would be separately advising with regard to the issues related to dispensing with the services of the Janata Deposit Collectors.

3. Please ensure accordingly.

RATIONALE

Due to non-viability of the scheme

(ALOKE SHAH)

FOR Chief General Manager

INDEX :P. Personal Banking Segment-Janata Deposit Scheme
J. Janta Deposit Scheme-Personal Banking Segment\024

A perusal of the Circular as referred above would clearly show that the Scheme is not economically viable. The Scheme has also contributed a number of frauds. In our

view, having regard to the facts mentioned in the order we do not see any arbitrary exercise of power by the authority concerned in discontinuing with the Scheme, as contended by the learned counsel of the petitioners. Similarly, when the concerned authority introduced the Scheme as a policy decision the same authority can discontinue or abandon the Scheme in accordance with a policy decision of the concerned authority. It is now well settled principle of law that the Court does not interfere with the policy decision of the authority concerned unless such decision is tainted with malafide or arbitrary. As already pointed out the reading of a policy decision in a Circular dated 4.6.2001 we do not see any arbitrariness or taint of malafide.

Learned counsel has referred to the decision of this Court rendered in Indian Banks Association vs. Workmen of Syndicate Bank and others, 2001(3)SCC 36. In that case the dispute was raised that the employees working in the Janata Deposit Scheme should be absorbed as regular workmen. While this Court said that employees in Janata Fixed Deposit Scheme were held to be workmen, the direction for absorption as a regular workman has been rejected. A contention has, therefore, been raised that since the employees of Janata Deposit Scheme are workmen they are entitled to retrenchment compensation under Section 25F of Industrial Disputes Act. This contention, in our opinion, has no substance. As already noted, the Scheme itself has been abandoned by way of policy decision and, therefore, we do not see any infraction of Section 25F of the Industrial Disputes Act.

For the reasons stated above, all these transferred cases are disposed of. The writ petitions stand dismissed.

I.A.NOS. 15-41 IN T.P.(C) NOS.645-658/2004

I.A.Nos.15 to 41, applications for impleadment/ intervention and restoration of work to deposit collectors, are dismissed.