

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR.JUSTICE A.MUHAMED MUSTAQUE

TUESDAY, THE 10TH DAY OF FEBRUARY 2015/21ST MAGHA, 1936

WP(C).No.18105 of 2013 (K)

PETITIONER:

**DYUTHISENAN.A,ASSISTANT MANAGER,
KERALA GRAMIN BANK (FORMERLY NORTH MALABAR GRAMIN BANK)
PUTHIYATHERU BRANCH,CHIRAKKAL P.O.-670011,
KANNUR DISTRICT.**

**BY ADVS.SRI.M.SASINDRAN
SRI.S.SHYAM KUMAR**

RESPONDENTS:

- 1. THE CHIEF MANAGER,NORTH MALABAR GRAMIN BANK,
NOW RENAMED AS KERALA GRAMN BANK,
N.M.G.B.TOWERS,KANNUR-670004.**
- 2. THE KERALA GRAMIN BANK,K.G.B.TOWERS,
UP HILL,MALAPPURAM-REPRESENTED BY ITS CHAIRMAN.**
- 3. THE SENIOR BRANCH MANAGER,KERALA GRAMIN BANK,
(FORMERLY NORTH MALABAR GRAMIN BANK),
PUTHIYATHERU BRANCH,CHIRAKKAL P.O.-670011,
KANNUR DISTRICT.**

BY SRI.DEVAN RAMACHANDRAN,S.C,NMGB

**THIS WRIT PETITION (CIVIL) HAVING BEEN FINALLY HEARD
ON 10-02-2015, ALONG WITH W.P(C) NO.7070/2014 THE COURT ON THE
SAME DAY DELIVERED THE FOLLOWING:**

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WP(C).No.18105 of 2013 (K)

APPENDIX

PETITIONER'S EXHIBITS:

**EXHIBIT P1:A TRUE COPY OF THE PUBLIC NOTICE ISSUED BY THE CHAIRMAN,
GOVERNMENT ORDER DATED 8-7-2013, AMALGAMATING THE TWO
BANKS AND ESTABLISHING KERALA GRAMIN BANK.**

EXHIBIT P2:A TRUE COPY OF THE DEPOSIT RECEIPT DATED 29-3-2007.

**EXHIBIT P3:A TRUE COPY OF THE REQUEST DATED 5-12-2012 SUBMITTED BY
THE PETITIONER BEFORE THE BANK.**

**EXHIBIT P4:A TRUE COPY OF THE REPERSENTATION DATED 19-3-2013
SUBMITTED BY THE PETITIONER BEFORE THE HEAD OFFICE.**

**EXHIBIT P5:A TRUE COPY OF THE REPRESENTATION DATED 3-4-2013
SUBMITTED BY THE PETITIONER BEFORE THE CHAIRMAN OF THE
ERSTWHILE N.B.G.BANK.**

**EXHIBIT P6:A TRUE COPY OF THE PETITION DATED 5-7-2013 SUBMITTED BY
THE PETITIONER BEFORE THE BANKING OMBUDSMAN.**

**EXHIBIT P7:A TRUE COPY OF THE ORDER NO.5967/E.NO.755/TRS/420/OD/PAIRD
2013 DATED 8-7-2013 ISSUED BY THE FIRST RESPONDENT
RECEIVED BY THE PETITIONER ON 16-7-2013.**

**EXHIBIT P8:A TRUE COPY OF THE CERTIFICATE DATED 13.4.2010 ISSUED BY
THE CHAIRMAN.**

**EXHIBIT P9:A TRUE COPY OF THE COMMUNICATION DATED 26.8.2013 ISSUED
BY THE BANKING OMBUDSMAN TO THE PETITIONER.**

RESPONDENT'S EXHIBITS:

**EXHIBIT R1(a):TRUE COPY OF THE LETTER NO.145/ONC/F42-1/PAIRD/2013
DATED 8.7.2013.**

//TRUE COPY//

P.S. TO JUDGE

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A.MUHAMED MUSTAQUE, J.

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**W.P.(C).Nos.18105/2013 & 7070/2014**  
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Dated this the 10th day of February, 2015

J U D G M E N T

These writ petitions are filed by the same person, who is working as an Assistant Manager with the Kerala Gramin Bank.

2. W.P.(C).No.18105/2013 is filed aggrieved by the transfer order.

3. W.P.(C).No.7070/2014 is filed challenging the decision declining the quit option exercised by the petitioner.

4. In exercise of the powers conferred under Section 23A of Chapter VA of the Regional Rural Banks Act, 1976 (for short, the “RRB Act”), the Government of India notified amalgamation of the South Malabar Gramin Bank and the North Malabar Gramin Bank to a single entity, namely, the Kerala Gramin Bank. The notification was published on 08/07/2013.

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5. The petitioner in terms of Section 23A of Chapter VA of the RRB Act, issued a quit notice. That was rejected by Ext.P4 dated 10/02/2014. In the rejection order, it is stated as follows:

“Though the Govt. of India notification No.1581 dated 08/07/2013, whereby e-NMGB and e-SMGB have been amalgamated to Kerala Gramin Bank, contains provisions under sub section (3)(a) of Section 23-A of Chapter V-A of RRB Act, 1976, it does not contain provisions under sub section (3)(b) of Section 23-A of Chapter V-A of RRB Act, 1976. In the absence of related provision in amalgamation notification dated 08/07/2013, for submitting option for quitting from the transferee RRB by the employees of transferor RRB, we are unable to consider your option for quitting from the service of transferee RRB i.e.Kerala Gramin Bank, favourably.”

6. The case of the respondent Bank is that in the absence of a provision in the notification issued by the Government of India while allowing amalgamation, the petitioner cannot invoke the provision related to quit notice. *Per contra*, the learned counsel for the

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petitioner Shri M.Sasindran would submit that exercising option to quit on account of amalgamation, is a right conferred to any employee under the RRB Act, and it is not necessary that the notification should contain provisions for exercising the option to quit.

7. Section 23A of the RRB Act regulates amalgamation of the Regional Rural Banks. It provides that the Government may, by notification provide for the amalgamation of such Regional Rural Banks (hereinafter referred to as the transferor Regional Rural Banks) into a single Regional Rural Bank (hereinafter referred to as the transferee Regional Rural Bank) with such constitution, property, powers, rights, interests, etc. as may be specified in the notification. Section 23A(3) also provides certain matters contained in the notification which includes the continuance in service of all the employees of the transferor Regional Rural Banks as referred in sub clause (a).

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However, clause (b) of Section 23A(3) stipulates that notwithstanding anything contained in clause (a) referred as above, if any employee of the transferor or transferee Regional Rural Banks, by notice in writing giving to the transferee Regional Rural Bank at any time before the expiry of a period of three months next following the date on which the amalgamation takes effect, intimated his intention of not becoming an employee of the transferee Regional Rural Bank, such employee is entitled for compensation and other benefits. The case of the petitioner is that Section 23A(3)(b) clearly confers a right on the employee to issue quit notice. The case of the Bank is that unless notification provides the matter relating to continuation of the employee as contemplated under Section 23A(3)(a), no employee is conferred with the right to issue quit notice. Therefore, in the

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absence of any such provision in the notification, the employee is not conferred with the right to exercise quit option.

8. The clause (b) to Section 23A(3) of Chapter VA of the RRB Act begins with an overriding clause which clearly indicates whether any provision is made in the notification in respect of continuation of service of the employees of transferor banks or not, the employees are having the right to issue quit notice as contemplated under Section 23A(3)(b). Section 23A(3)(b) is not dependent on clause (a) of Section 23A(3). Section 23A(3)(b) confers an independent individual right on an employee to decide on his continuation in the transferee bank. This is a statutory right and is not a right to depend upon the scheme of the amalgamation as contended by the Standing Counsel for the Bank. Thus, I am of the view that

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rejection of the quit notice of the petitioner is unsustainable and, accordingly, the impugned order in W.P.(C).No.7070/2014 is set aside. Consequently, the following orders are passed in W.P.(C).No.7070/2014:

9. The petitioner shall be relieved from the present station within a period of four weeks from the date of receipt of a copy of this judgment. The amount of compensation as payable under Section 23A(3)(b) of Chapter VA of RRB Act and any other benefits available under law shall be disbursed to him within a period of two months thereafter.

10. In the light of the judgment as above in W.P.(C).No.7070/2014, the challenge with regard to the transfer order in W.P.(C).No.18105/2013 has become redundant and the petitioner shall be permitted to continue based on the interim order at

W.P.(C).Nos.18105/2013 & 7070/2014

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the same station till he is relieved from the service. No costs.

Sd/-

A.MUHAMED MUSTAQUE, JUDGE

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