IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 7740 OF 2023

1] Kapil S/o Ashok Nugurwar
2] Chetan S/o Ashok Paralikar
3] Rupesh Ankushrao Deshmukh
4] Ramesh S/o Ambadas Kusat
5] Peeyush Raj
6] Brijendra Tripathi
7] Pankal Kumar S/o Narshinghu .. Petitioners

Versus

1] The Union of India
Through its Secretary,
Ministry of Finance, Dept.,
New Delhi

2] The State of Maharashtra,
Through its Secretary,
Ministry of Finance, Dept.,
Mantralaya, Mumbai-32.

3] The Managing Director & Chief Executive Officer,
Central Bank of India,
Chander Mukhi, Nariman Point,
Mumbai - 32.

4] The General Manager (HRD)
Central Bank of India,
Chander Mukhi, Nariman Point,
Mumbai – 32. .. Respondents

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Advocate for petitioner : Mr. Vaibhav B. Dhage
Standing Counsel for respondent no. 1 – UOI : Mr. R.R. Bangar
AGP for the respondent – State : Mr. A.S. Shinde
Advocate for respondents no. 3 and 4 : Mr. S.V. Warad

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CORAM : MANGESH S. PATIL &
SHAILESH P. BRAHME, JJ.

DATE : 11 JULY 2023

ORDER (MANGESH S. PATIL, J.) :

Heard.

2. Rule. Rule is made returnable forthwith. Mr. Bangar waives service for respondent no. 1. Learned AGP waives service for respondent no.2. Mr. Warad waives service for respondents 3 and 4. At the joint request, the matter is heard finally at the stage of admission.

3. The averments in the petition are to the effect that the petitioners are the employees of the respective Regional Rural Banks (RRBs) working on different posts. The respondents 3 and 4 are the Managing Director & Chief Executive Officer and the General Manager of the Central Bank of India which is the public sector bank. It published an advertisement on 27-01-2023 inviting applications for the post of the Chief Manager.

4. The terms and conditions regarding eligibility stipulated in the advertisement mentions that the persons should have put in minimum 7 years experience as an officer in the PSBs / Private Banks / NBFCs. It also provides that any experience as Branch Manager / Credit / Foreign Exchange will be given preference. The petitioners claiming to be eligible applied for the selection process. Even the interview call letters were issued to them but they were not permitted to

participate in the interview holding them to be ineligible on the ground that they are the employees of the RRBs and not the PSBs / Private sector banks and NBFCS. They were so informed by communication dated 05-07-2023. Hence this petition claiming a direction in the nature of writ of *mandamus* against the respondents 3 and 4 for allowing the petitioners to participate in the interview on the scheduled dates.

5. It is necessary to note that though one more substantive prayer has been made for directing the interview process to be conducted through an independent agency, the learned advocate for the petitioners does not make any submission in that respect.

6. The learned advocate Mr. Dhage for the petitioners would submit that the petitioners are the employees of the RRBs. He submits that the eligibility criterion of experience in clause 6 vaguely describes that the incumbent should be an officer in PSBs, Private Banks and NBFCs. He would submit that public sector bank has not been defined anywhere but has been understood as the ones described and enlisted by the Ministry of Finance, Government of India and available on its website (**Exhibit - R-3**).

7. He would then point out that this document also gives a list of RRBs functioning in the country. The RRBs where the petitioners are serving find place in this list at serial no. 8, 12, 15 and 22. The

public sector banks named against them are the sponsor banks. By virtue of section 6, its issue capital comprises of 50% by the Central Government, 15% by the State Government and 35% by the sponsor banks. In view of such state of issued capital of any RRB, these RRBs should be treated as PSBs since the sponsor bank as provided in section 2(ea) of the Reserva Bank of India Act, 1934 (**RBI Act**) means a bank by which such RRB has been sponsored. Therefore, for all practical purposes, even the RRBs are nothing but an extended organ of the public sector banks, one or the other of which is the sponsor bank. Therefore, the petitioners being the employees of the RRBs from the officer cadre having requisite experience ought to be permitted to appear for the interview.

8. Per contra, the learned advocate Mr. Warad for the respondents 3 and 4 by referring to the affidavit in reply submits that the petitioners are the employees of the RRBs. Clause (6) from the advertisement expressly provides that only officers from Public Sector Banks / Private Banks and NBFCs are eligible to apply for the post. The RRBs do not fall in any of these categories. The list of public sector banks has been published by the Ministry of Finance, Government of India (**Exhibit - R-3**). Only officers of those banks or private banks enlisted therein or the NBFCs are eligible to apply for the post.

9. Mr. Warad would submit that by virtue of a specific stipulation in the advertisement contained in clause (4)(ii), applications can be rejected at any stage of the recruitment process if a candidate is found to be ineligible for the post. The respondents 3 and 4 therefore have rightly rejected the petitioners' candidature which cannot be faulted with.

10. Mr. Warad would also advert our attention to the decisions in the matter of ***Tushar Babanrao Deshmukh Vs. State of Maharashtra*** (writ petition no. 4791 of 2012 decided on 21-12-2012) and ***Ravindra V. City and Industrial Development Corporation of Maharashtra Ltd.; (2016) 5 Bom CR 794***, to buttress his submission that this Court in exercise of the powers under Article 226 of the Constitution cannot determine propriety of providing the experience or the eligibility clauses when the respondents 3 and 4 have expressly mentioned in the advertisement that it is only the officers from the Public Sector Banks / Private Banks and NBFCs having the experience of 7 years would be eligible to appear for the posts. This Court cannot examine its appropriateness.

11. We have carefully considered the rival submissions and perused the papers.

12. The petitioners do not deny the fact that they are the employees of the RRBs. The issue is as to if they can be considered as fulfilling the experience criterion contained in the advertisement which makes only the officers from PSBs / Private Banks and NBFCs having 7 years of experience so eligible ?

13. Obviously, the learned advocate for the petitioners has not made any attempt to demonstrate that the petitioners are the employees of either the Private Banks or the NBFCs. Therefore, the only issue that needs to be addressed is as to if being the employees of RRBs, they can be said to be the officers serving in the Public Sector Banks ?

14. The learned advocate for the petitioners was unable to demonstrate as to how respondents 3 and 4 could treat them and this Court can declare them as the officers of the Public Sector Banks. There cannot be a debate about the fact that the RRBs are established under the special statute namely the Regional Rural Banks Act, 1976.

15. The Government of India in the Ministry of Finance on its website (**Exhibit - R-3**) has given the lists of RRBs, Public Sector Banks, Private Sector Banks, Small Finance Banks, Payment Banks, Regional Rural Banks and Foreign Banks working in India. Irrespective of the fact that the 'capital issued' as laid down under section 6 of the RRB Act is contributed by the Central Government, State Government

and the sponsor bank, that in itself cannot *ipso facto* render the RRBs as public sector banks; *albeit* neither of the parties could point out to us as to where this term ‘Public Sector Bank’ has been defined. They are understood to be Government owned banks where the majority of stake is held by the Government of India.

16. In the absence of any material sufficient to describe the RRBs as Public Sector Banks, in our opinion, no fault can be found with the decision of the respondents 3 and 4 holding that the petitioners do not fulfil the requisite eligibility criterion of being the employees of the Public Sector Banks or Private Banks or the NBFCs.

17. The learned advocate Mr. Dhage for the petitioners places before us across the bar a copy of the communication dated 08-05-2014 purportedly addressed by the Secretary in the Ministry of Finance, Department of Financial Services, Government of India to the Chief Secretary of the Government of Maharashtra to buttress his submission that the RRBs need to be treated at par with the nationalized banks. We have carefully gone through this communication which reads thus :-

> “ *As you are aware, the Regional Rural Banks (RRBs) established under the provisions of RRBs Act, 1976 with the objective of an alternative channel to cooperative credit structure, have played a crucial role in meeting the credit needs of rural areas and implementation of Financial Inclusion Scheme of the Government of India.*
>
> *2. Regional Rural Banks established under the Regional Rural Bank Act, 1976 are owned by Government of India, State*

Government and the sponsor nationalized bank in the ratio of 50: 15: 35% respectively and as such are Government entities.

3. All the RRBs are listed in the 2nd Schedule which classifies "Scheduled Banks" under section 42 and 2 (e) of RBI Act, 1934 and are thus at par with the nationalized banks.

4. As on date, all RRBs are on CBS platform and participating in National Payment System (NPS) through RTGS and NEFT. The RRBs have played a very crucial role in implementation of Financial Inclusion plan of Gol and credit delivery, particularly to agriculture sector in rural areas. The State Governments, it is felt, have a greater role to play in the development of these banks keeping in view the significant role played by them in credit expansion, particularly in the agriculture sector, deposit mobilization and implementation of credit-linked development schemes in rural areas. Mobilization of low cost deposits thus will contribute to improving financials of RRBS and parking of State Government funds would be a great source of low cast funds for these institutions.

5. Since these institutions are State specific and are functioning in rural areas, they have limited source of low cost deposits and government funds will be a good source of low cost deposits.

6. In view of the above, I request that necessary instructions may be issued to ensure that Government and State Government funds are deposited with Regional Rural Banks. State Government is part owner of these Banks and this will go a long way in ensuring the long term viability of these Banks."

18. As can be seen, the correspondence intends that the State Government should ensure that the funds are deposited with the Regional Rural Banks in order to ensuring long term viability of these RRBs. It is in this context that it has been mentioned that the RRBs are listed in second schedule under section 42 and 2(e) of the RBI Act, 1934 and are at par with the nationalized banks.

19. Merely because the RRBs are included in the second schedule, in our considered view, even if they are at par with the

nationalized banks, they cannot be treated as Public Sector Banks. As is mentioned above, the RRBs have their origin in special statute.

20. This afore-mentioned correspondence was made in a different context so that the State government can deposit its funds with the RRBs. The communication cannot be read to mean that the RRBs are included in the category of Public Sector Banks.

21. In our considered view, no error is committed by the respondents 3 and 4 in refusing the candidature of the petitioners in the ongoing recruitment process.

22. The petition is dismissed.

22. Rule is discharged.

[SHAILESH P. BRAHME]
JUDGE

[MANGESH S. PATIL]
JUDGE

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