

2026:PHHC:064653



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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP-23330-2012
DECIDED ON: 04.02.2026

PARAMBIR SINGH DUGGAL

.....PETITIONER

VERSUS

UNION OF INDIA & OTHERS

.....RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL.

Present: Mr. A.K. Walia, Advocate
for the petitioner.

Mr. Achin Gupta, Sr. Panel Counsel,
for respondent-UOI.

Mr. Ravi Verma, Advocate
for respondents No.8 to 10.

SANDEEP MOUDGIL, J

Prayer:

1. The present writ petition has been filed by the petitioner, Parambir Singh Duggal, under Article 226 of the Constitution of India, seeking issuance of an appropriate writ, order or direction, primarily in the nature of mandamus and certiorari, against the respondents in relation to the filling up of six posts of Officer Scale-III in Satluj Gramin Bank.

Brief facts:

2. The petitioner is stated to be working as an Officer Scale-II (Middle Management Manager) in the respondent Bank and is a regular and confirmed

employee. He claims to be eligible for promotion to the next higher post of Officer Scale-III in accordance with the applicable rules.

3. It is averred that the service conditions, including appointment and promotion of officers in Regional Rural Banks, were governed by the Regional Rural Banks (Appointment and Promotion of Officers and other Employees) Rules, 1998 (hereinafter referred to as the “1998 Rules”). Under the said Rules, promotion to the post of Officer Scale-III was to be made on the basis of seniority-cum-merit.

4. The petitioner submits that guidelines issued by the competent authorities, including communication dated 21.06.1999, clarified that vacancies which had arisen prior to amendment of the rules were required to be filled in accordance with the rules existing at the relevant time. This position was reiterated subsequently through clarification dated 11.11.2010.

5. It is further the case of the petitioner that pursuant to the recommendations of the Thorat Committee constituted in the year 2007 for manpower planning, the respondent Bank assessed its staffing requirements and identified shortage in various cadres. In this process, six posts of Officer Scale-III were proposed and approved for being filled in the respondent Bank.

6. According to the petitioner, the said six posts stood identified and approved on the basis of the Bank’s business position as on 31.03.2010, i.e., prior to the coming into force of the new rules. This fact is stated to have been confirmed by the respondent Bank in reply to information sought under the Right to Information Act vide letter dated 21.08.2012.

7. Subsequently, the Central Government notified the Regional Rural Banks (Appointment and Promotion of Officers and other Employees) Rules, 2010 (hereinafter referred to as the “2010 Rules”) on 13.07.2010, thereby superseding

the 1998 Rules. The petitioner contends that the 2010 Rules materially altered the promotion criteria.

8. Under the 2010 Rules, the mode of promotion to the post of Officer Scale-III was bifurcated into two channels, namely, Normal Channel and Fast Track Channel, with 50% of the vacancies to be filled under each. The Fast Track Channel introduced additional criteria such as written test and merit-based selection.

9. The grievance of the petitioner is that the application of the 2010 Rules adversely affects his right of consideration for promotion, as under the 1998 Rules all six posts would have been filled on the basis of seniority-cum-merit, whereas under the 2010 Rules, only three posts fall under the normal channel.

10. It is the specific case of the petitioner that the respondent Bank issued an impugned circular dated 25/26.09.2012 for filling up the aforesaid six posts of Officer Scale-III by applying the 2010 Rules, including filling three posts through the Fast Track Channel.

11. The petitioner contends that the vacancies in question had arisen and were approved prior to 13.07.2010, i.e., before the enforcement of the 2010 Rules, and therefore the same ought to have been filled in accordance with the 1998 Rules.

12. Prior to approaching this Court, the petitioner submitted representations dated 09.10.2012 and 17.10.2012 to the respondent Bank, requesting that the vacancies be filled under the 1998 Rules in terms of the applicable guidelines. However, no action was taken on the said representations.

13. The petitioner further submits that the application of the 2010 Rules to the vacancies in question amounts to retrospective application of the said Rules,

which is impermissible in law, particularly in the absence of any express provision conferring retrospective effect.

14. It is also contended that such action of the respondents is arbitrary and discriminatory, violative of Articles 14 and 16 of the Constitution of India, and has resulted in denial of the petitioner's legitimate right to be considered for promotion in accordance with the rules applicable at the time when the vacancies arose.

15. On the basis of the aforesaid facts, the petitioner has approached this Court seeking quashing of the impugned circular dated 25/26.09.2012 and for a direction to the respondents to fill the six posts of Officer Scale-III in accordance with the 1998 Rules.

Contentions on behalf of the petitioner:

16. Learned counsel for the petitioner contends that the impugned action of the respondent Bank in applying the Regional Rural Banks (Appointment and Promotion of Officers and other Employees) Rules, 2010 to the six posts of Officer Scale-III is wholly illegal, arbitrary and contrary to settled principles of law.

17. It is submitted that the six vacancies in question were identified, created and duly approved on the basis of manpower planning as on 31.03.2010, i.e., prior to the enforcement of the 2010 Rules on 13.07.2010. Therefore, the said vacancies are required to be filled strictly in accordance with the provisions of the earlier 1998 Rules.

18. It is next contended that the respondent authorities themselves had issued binding guidelines and clarifications, including communications dated 21.06.1999 and 11.11.2010, categorically providing that vacancies arising prior to

amendment of rules shall be governed by the old rules. The impugned action is stated to be in direct violation of these binding instructions.

19. Learned counsel submits that even as per the reply furnished under the Right to Information Act dated 21.08.2012, the respondent Bank has admitted that the approved strength of Officer Scale-III posts as on 31.03.2010 was six. This admission clearly establishes that the vacancies existed prior to the coming into force of the 2010 Rules.

20. It is further argued that the 2010 Rules do not have retrospective operation and there is no provision therein permitting their application to vacancies which had already arisen prior to their enforcement. Therefore, applying the 2010 Rules to such vacancies amounts to impermissible retrospective application of the rules.

21. Learned counsel for the petitioner submits that under the 1998 Rules, all the six posts were required to be filled on the basis of seniority-cum-merit. However, under the 2010 Rules, only 50% of the posts are filled under the Normal Channel and the remaining 50% through the Fast Track Channel, thereby drastically altering the promotion criteria.

22. It is contended that the introduction of the Fast Track Channel, involving written examination and merit-based selection, has the effect of reducing the petitioner's chances of promotion, despite his seniority and long service. The petitioner, being placed at Serial No. 5 in the seniority list, would have a fair chance under the old rules, which is now being defeated.

23. Learned counsel argues that the petitioner has acquired a vested right to be considered for promotion in accordance with the rules prevailing at the time when the vacancies arose, and such right cannot be taken away by subsequent amendment of rules, in support his arguments he places reliance upon the Apex

Court judgment passed in the case of “*Y.V. Rangaiah & others vs. J. Sreenivasa Rao & others*”; 1983 (1) SLR 789.

24. It is further submitted that the impugned action of the respondents is arbitrary and discriminatory and violates Articles 14 and 16 of the Constitution of India, as it subjects similarly situated employees to unequal treatment by introducing dual criteria of promotion.

25. Learned counsel also contends that the petitioner had submitted representations dated 09.10.2012 and 17.10.2012, requesting that the vacancies be filled under the 1998 Rules, but the respondents failed to consider the same, thereby acting in an unreasonable and arbitrary manner.

26. It is lastly contended that the impugned circular dated 25/26.09.2012, to the extent it seeks to fill the six posts under the 2010 Rules, including through the Fast Track Channel, is liable to be quashed, and a direction deserves to be issued to the respondents to fill the said posts strictly in accordance with the 1998 Rules.

CONTENTIONS ON BEHALF OF THE RESPONDENTS

27. Learned counsel for the respondents contends that the present writ petition is wholly misconceived and devoid of merit, as no posts of Officer Scale-III were either created or sanctioned prior to the enforcement of the Regional Rural Banks Rules, 2010, and therefore no right accrued to the petitioner under the 1998 Rules.

28. It is submitted that the posts in question were not approved by the Sponsor Bank nor created by the Board of Directors till after the coming into force of the 2010 Rules, and in fact approval for creation and filling of six posts was granted only in the year 2012. It is further contended that since the posts were created and sanctioned after the applicability of the 2010 Rules, the same were

rightly filled in accordance with the said Rules and there is no illegality in applying the amended Rules.

29. Learned counsel submits that the entire process of promotion, including issuance of circular dated 26.09.2012, constitution of the Selection Committee and filling of posts, was carried out strictly in accordance with the 2010 Rules and with due approval of the competent authorities. It is also argued that the petitioner was duly considered for promotion under the applicable Rules but was not found suitable on merits, and therefore cannot claim any vested right to promotion. It is further contended that the answering private respondents are senior to the petitioner in the seniority list and were promoted under the normal channel based on seniority-cum-merit, and thus their promotions do not suffer from any illegality; rather, even under the criteria sought to be enforced by the petitioner, they had a prior and better right of consideration.

30. Learned counsel submits that the petitioner has no enforceable right to seek application of the old Rules in absence of sanctioned posts and cannot challenge a valid promotion process conducted under the prevailing Rules. It is, thus, contended that there is no violation of any statutory provision or constitutional right and the writ petition deserves to be dismissed.

31. Heard.

ISSUE FOR DETERMINATION

32. The question which arises for consideration is, whether the six posts of Officer Scale-III were liable to be filled under the 1998 Rules, as contended by the petitioner, or under the 2010 Rules, under which the impugned promotion process was actually undertaken. The answer to this issue depends not merely on the date on which the staffing requirement was assessed, but on whether, prior to

the coming into force of the 2010 Rules, the posts had in fact been validly created and sanctioned in terms of the governing statutory framework.

ANALYSIS

33. The first limb of the petitioner's case is that the six vacancies stood identified and approved as on 31.03.2010 and, therefore, had to be filled under the 1998 Rules. This contention, at first blush, appears attractive because the paper book does contain the petitioner's assertion that, on manpower planning and RTI material, six posts of Officer Scale-III were shown as required/approved with reference to the business position as on 31.03.2010. However, the decisive question is not whether there was a perceived requirement or staffing proposal on that date, but whether the posts had actually come into existence in the manner contemplated by the Rules.

34. Under the 1998 Rules themselves, creation of posts was not automatic. Rule 4 required the Board of Directors, in consultation with the Sponsor Bank, to create such number of posts as specified in the First Schedule; Rule 5 required the Board, again in consultation with the Sponsor Bank, to determine the number of vacancies to be filled; and only thereafter could vacancies be filled under Rule 6 in accordance with the Rules. Thus, mere manpower assessment, staff shortage, Thorat Committee recommendation, or administrative correspondence could not, by themselves, amount to legal creation of posts or crystallisation of vacancies under the 1998 Rules.

35. It is precisely on this aspect that the respondents' reply dislodges the foundation of the petitioner's case. In the affidavit of Ranjit Singh Mann, filed on behalf of respondents No. 3 and 4, it is specifically asserted that the posts of Scale-III officers which are the subject matter of the writ petition were not created by the

Board of Directors while the 1998 Rules were in force, and that the Sponsor Bank had not sanctioned the creation of such posts till then. The reply further states that even in the first phase proposal put up before the Board meeting dated 19.01.2011, the Board did not approve creation of six posts of Scale-III in Phase-I, and the matter was deferred to the second phase.

36. The reply goes further and sets out the subsequent events with specificity: the Sponsor Bank granted approval vide letter dated 16.07.2012 to fill up six posts of Scale-III by promotion under the 2010 Rules; thereafter, the matter was placed before the Board of Directors of respondent No. 4 in its meeting held on 24.08.2012; and only then did the Board grant approval to fill up six posts of Scale-III by way of promotion under the new Rules. This sequence is of considerable significance, for it demonstrates that the legal creation/sanction and operative approval of the posts occurred after the 2010 Rules had already come into force.

37. Once that position is accepted, the petitioner's principal argument that "old vacancies" had to be filled under the "old Rules" loses much of its force. What existed earlier was, at best, an assessment of requirement or a proposal under manpower planning; what came into legal existence later was the sanctioned cadre strength/posts capable of being filled. The Court cannot equate an internal staffing assessment with a duly created and sanctioned post within the meaning of Rules 4 to 6 of the 1998 Rules.

38. We are unable to accept the petitioner's submission that the 2010 Rules have been applied retrospectively. There is no dispute with the general proposition that rules ordinarily operate prospectively unless a contrary intention is evident. However, on the facts before us, it is clear that the respondents are not applying the 2010 Rules to any past or concluded action. What is being applied is

to a process of creation, approval and filling up of posts which, as the record itself shows, culminated only in 2012. The impugned circular dated 26.09.2012 was issued after the sponsor bank's permission dated 16.07.2012 and the Board's approval dated 24.08.2012. Thus, the entire promotion exercise was undertaken at a stage when the 2010 Rules were already in force. In that view of the matter, the contention regarding retrospective application does not merit acceptance.

39. The petitioner has heavily relied upon the line of authority of the Apex Court in *Y.V.Rangaiah's case (supra)* and the clarifications dated 21.06.1999 and 11.11.2010 to submit that pre-amendment vacancies must necessarily be governed by the old Rules. Those authorities and instructions do support the proposition advanced by the petitioner at a general level. Yet, even on that line of reasoning, the petitioner was still required to establish that legally enforceable vacancies/posts had in fact come into existence before the new Rules. In the absence of board creation and sponsor-bank sanction before 13.07.2010, the petitioner's reliance on those instructions does not conclusively carry the matter in his favour.

40. At this stage, reference may usefully be made to the judgment of the Supreme Court in **State of Himachal Pradesh v. Raj Kumar.2023(3) SCC 773**. While the present case can be decided on its own factual matrix, particularly regarding the stage at which the posts were sanctioned, the said judgment provides important guidance on the legal position governing service matters. The Supreme Court emphasized that the rights of a government employee are entirely governed by statutory rules, and that an employee does not possess any independent or vested right dehors such rules. It was observed that in matters of public employment, an employee has only a right to be considered in accordance with the

rules in force at the relevant time, and not a right to insist upon application of a particular set of rules. The relevant paragraph of the same reads as under.

*37.2 The decision in Deepak Agarwal (supra) is a complete departure from the principle in Rangaiah, in as much as the Court has held that a candidate has a right to be considered in the light of the existing rule. That is the rule in force on the date the consideration takes place. This enunciation is followed in many subsequent decisions including that of **Union of India v. Krishna Kumar** (supra). In fact, in Krishna Kumar Court held that there is only a "right to be considered for promotion in accordance with rules which prevail on the date on which consideration for promotion take place."*

37.3 The consistent findings in these fifteen decisions that Rangaiah's case must be seen in the context of its own facts, coupled with the declarations therein that there is no rule of universal application to the effect that vacancies must necessarily be filled on the basis of rules which existed on the date which they arose, compels us to conclude that the decision in Rangaiah is impliedly overruled. However, as there is no declaration of law to this effect, it continues to be cited as a precedent and this Court has been distinguishing it on some ground or the other, as we have indicated hereinabove. For clarity and certainty, it is, therefore, necessary for us to hold;

*(a) The statement in **Y.V. Rangaiah v. J. Sreenivasa Rao** that, "the vacancies which occurred prior to the amended rules would be governed by the old rules and not by the amended rules", does not reflect the correct proposition of law governing services under the Union and the States under part XIV of the Constitution. It is hereby overruled.*

(b) The rights and obligations of persons serving the Union and the States are to be sourced from the rules governing the services.

Application of the principle to the facts of the present case:

38.1 Returning to the facts of the present case, we have noticed that the High Court has proceeded on the premise that the vacancies occurring before the amendment of the Rules on 25.11.2006 must be governed by the 1966 Rules. The decision of the High Court took within its sweep even the 7 new posts of Labour Officers that were sanctioned by an inter-departmental letter dated 20.07.2006, which included even the 3 posts allocated for direct recruitment. The direction of the High Court to encompass even the 3 posts allocated for direct recruitment was on the ground that the posts were sanctioned on 20.07.2006, which is prior to the amendment of the Rules on 25.11.2006.

*38.2 **We have already held that** there is no right for an employee outside the rules governing the services. We have also followed and applied the Constitution Bench decisions in **Union of India v. Tulsiram Patel** (supra) and more particularly the decision in **Roshan Lal Tandon v. Union of India** (supra) that the services under the State are in the nature of a status, a hallmark of which is the need of the State to unilaterally alter the rules to subserve the public interest. The 2006 rules, governing the services of the Respondents*

came into force immediately after they were notified. There is no provision in the said rules to enable the Respondents to be considered as per the 1966 Rules. The matter must end here. There is no other right that Respondents no. 1 to 3 can claim for such consideration.

41. The Supreme Court further clarified that the proposition in ***Y.V. Rangaiah's case (supra)***, to the effect that vacancies arising prior to amendment must invariably be filled under the old rules, cannot be treated as an absolute or universal principle of law. Rather, the applicability of rules depends upon the statutory framework and the stage at which the recruitment process is undertaken. Thus, even assuming the petitioner's contention regarding existence of vacancies, it cannot automatically follow that the 1998 Rules must govern the field, particularly when the process of approval and filling of posts was undertaken after the 2010 Rules had come into force.

42. The petitioner further contends that under the 1998 Rules all six posts were to be filled on the basis of seniority-cum-merit, whereas under the 2010 Rules the bifurcation into normal channel and fast track channel reduced his promotional chances. This submission may explain his grievance, but grievance is not the same thing as legal infirmity. A candidate in service has a right of fair consideration in accordance with the rules in force; he does not possess a vested right that the promotional criteria shall remain frozen forever to his advantage. The dictum in ***Raj Kumar's case (supra)*** reaffirms that there are no vested rights independent of the governing rules.

43. In any event, the reply filed by the private respondents demonstrates that respondents No. 5 to 7 were senior to the petitioner, standing at serial numbers 1, 2 and 3 in the seniority list, whereas the petitioner stood at serial number 5. Their specific plea is that they were promoted under the normal channel, i.e.

seniority-cum-merit, and therefore even on the petitioner's own preferred criterion they had a prior claim over him. This substantially weakens the petitioner's challenge insofar as it is directed against the promotions of the private respondents.

44. The respondents have also specifically pleaded that the petitioner himself participated in the promotion process under the 2010 Rules, but was not found suitable on merits. The affidavit filed on behalf of respondents No. 3 and 4 states that the petitioner was duly considered and "was not found fit to be promoted vis-à-vis merits of the promoted candidates." While participation in the process may not by itself amount to an absolute waiver of legal challenge, it does show that the petitioner was not shut out from consideration; rather, he was considered and failed to secure promotion.

45. The plea founded on Articles 14 and 16 of the Constitution also does not persuade the Court. Arbitrariness or discrimination would have been made out if the respondents had applied different rules to similarly situated candidates, or had acted de hors the rules altogether. On the contrary, the material placed by the respondents shows that the process was conducted after obtaining sponsor-bank permission, board approval, constitution of the selection committee, and issuance of the circular under the 2010 Rules. The petitioner has not shown that any candidate similarly situated to him was treated under a different set of rules or standards.

Conclusion

46. On an overall conspectus, therefore, the petitioner's case suffers from a fundamental weakness: it conflates staffing requirement/proposed cadre need with legal creation and sanction of posts. The former may have existed earlier; the

latter, as per the respondents' record, took place only after the 2010 Rules. Once that distinction is kept in view, the challenge to the impugned process cannot be sustained.

47. Accordingly, this Court is of the considered view that the petitioner has failed to establish that six legally enforceable vacancies/posts of Officer Scale-III had come into existence prior to the enforcement of the 2010 Rules. Consequently, the contention that the same were bound to be filled under the 1998 Rules cannot be accepted. Hence the same is dismissed being devoid of merits.

48. Pending miscellaneous applications if any stands disposed off.

04.02.2026

Meenu

(SANDEEP MOUDGIL)
JUDGE

Whether speaking/reasoned : *Yes/No*
Whether reportable : *Yes/No*