

## **Gurgaon Gramin Bank Officer"s Association and Others Vs Union of India and Others**

**Court:** Delhi High Court

**Date of Decision:** Sept. 30, 2014

**Acts Referred:** Constitution of India, 1950 - Article 226 227  
Regional Rural Banks Act, 1976 - Section 18(2)(b) 23A 3(1)

**Hon'ble Judges:** G. Rohini, C.J; Rajiv Sahai Endlaw, J

**Bench:** Division Bench

**Advocate:** Ravinder Kumar Yadav, Advocates for the Appellant; Sanjay Jain, ASG, Amit Tandon, Amit Mahajan and Aastha Jain, Advocates for the Respondent

### **Judgement**

Rajiv Sahai Endlaw, J.

W.P.(C) No. 5118/2014 is filed as a Public Interest Litigation impugning the Notification dated 29th November,

2013 bearing F. No. 7/9/2011-RRB and the letter dated 13th November, 2013 bearing F. No. 7/09/2011-RRB, both of the Ministry of Finance,

Department of Financial Services inter alia having the effect of amalgamating the Gurgaon Gramin Bank (GGB) and the Haryana Gramin Bank

(HGB). The said writ petition came up first before us on 13th August, 2014 when upon our enquiring from the counsel for the petitioner as to how

this Court had the territorial jurisdiction to entertain the petition and / or as to how this Court was the forum convenience for entertaining the

petition, the counsel informed that an identical issue as involved in the said petition was also pending consideration in W.P.(C) No. 8146/2013

pending before a Single Judge of this Court. We accordingly directed W.P.(C) No. 8146/2013 also to be listed before us.

2. W.P.(C) No. 8146/2013 has been filed claiming the same relief as in W.P.(C) No. 5118/2014 supra. The same came up before a learned

Single Judge of this Court on 19th December, 2013 when upon doubt being expressed as to the maintainability thereof, the counsel for the

petitioner sought adjournment. Thereafter the said writ petition was being listed from time to time for preliminary hearing, till it was listed, as per the

aforesaid directions, before us.

3. During the hearing of the aforesaid two petitions on 27th August, 2014 it was disclosed that W.P.(C) No. 5482/2014 entailing the same issue

was also pending consideration before the learned Single Judge. We accordingly directed W.P.(C) No. 5482/2014 also to be listed before us and

find the same also to be claiming the same relief as the other two petitions and notice thereof also having not been issued as yet.

4. We accordingly, with the consent of the counsels in all the three petitions, on 19th September, 2014 heard arguments on admission, particularly

on the aspects aforesaid of territorial jurisdiction and forum convenience and reserved orders.

5. Both, GGB and HGB were Regional Rural Banks (RRBs) established under the Regional Rural Banks Act, 1976 (RRB Act). While GGB was

established in the year 1976 under the sponsorship of Syndicate Bank, HGB came into existence on 21st December, 2005 on amalgamation of

three other Regional Rural Banks namely Haryana Kshetriya Gramin Bank, Hissar Sirsa Kshetriya Gramin Bank and Ambala Kurukshetra Gramin

Bank and is sponsored by the Punjab National Bank (PNB).

6. Section 23A of the RRB Act provides for amalgamation of RRBs by Notification in the Official Gazette, if the Central Government, after

consultation with the National Bank i.e. the National Bank for Agriculture and Rural Development (NABARD), the concerned State Government

and the sponsor Banks, is of the opinion that it is necessary in public interest or in the interest of the development of the area served by any

Regional Rural Bank or in the interest of the Regional Rural Banks themselves that two or more Regional Rural Banks should be amalgamated into

a single Regional Rural Bank.

7. It is inter alia the case of the petitioners:-

(a) that the Department of Financial Services of the Government of India on or about 14th November, 2011 initiated a proposal for amalgamation

of smaller RRBs into a single bigger RRB within a State, with respect to 18 States and including of amalgamation of GGB with HGB;

(b) that NABARD opined against the amalgamation of GGB and HGB and alternatively opined that Syndicate Bank may be designated as the

Sponsor Bank after amalgamation of GGB with HGB, as PNB is having status of Sponsor Bank in five States as against Syndicate Bank which is

having Sponsor Bank status only in two States;

(c) Syndicate Bank also strongly opposed the amalgamation of GGB and HGB and alternatively suggested that it be given the sponsorship of the

amalgamated Bank;

(d) the Government of the State of Haryana was in favour of amalgamation of GGB and HGB and further stated that the amalgamated bank be

advised to address the issues of making adequate allocations for corporate social responsibility activities;

(e) general public of the area of operation of GGB gave representations that GGB is rendering good services to its customers and expressing an

apprehension that after amalgamation the services of the amalgamated bank to the customers would be adversely affected; and,

(f) that though in the process of decision making, sponsorship of the amalgamated bank on amalgamation of GGB and HGB was proposed to be

given to Syndicate Bank but upon a letter from the Chief Minister, Government of Haryana, the Government of India without considering the

provision and spirit of Section 23A of the RRB Act, vide impugned letter dated 13th November, 2013 approved amalgamation of GGB and HGB

with sponsorship of PNB and issued the impugned Notification dated 29th November, 2013 of amalgamation of GGB with HGB to form Sarva

Haryana Gramin Bank (SHGB) under the sponsorship of PNB.

8. While the contention of the petitioner in W.P.(C) No. 8146/2013 and W.P.(C) No. 5482/2014 and which petitioners are associations of

officers and workers of GGB, besides of the said amalgamation being contrary to law and a procedure prescribed therefor, is that the

amalgamation affects the service conditions of their members, the contention of the petitioner in W.P.(C) No. 5118/2014 and which petitioner is

also an association of officers of GGB, besides being to the effect that the amalgamation will affect the rights and interests of its members also, is

that the amalgamation also affects the rights and interests of other residents of the area earlier under the operation of GGB.

9. The counsels for the petitioners in response to the query raised by us of territorial jurisdiction, have urged that this Court would have territorial

jurisdiction to entertain the petition as the decision making authority for amalgamation is the Central Government having situs within the jurisdiction

of this Court. It is further contended that even PNB has its Head Office within the territorial jurisdiction of this Court. We may record that besides

the Union of India (UOI) and PNB, i) GGB, ii) HGB (though both have since ceased to exist) ; iii) SHGB; iv) State of Haryana, Chandigarh; v)

NABARD, Mumbai; and, vi) Syndicate Bank, Bangalore, have also been impleaded as respondents to all the three petitions.

10. A Five Judge Bench of this Court in Sterling Agro Industries Ltd. Vs. Union of India (UOI) and Others, has held:-

(i) the concept of forum convenience fundamentally means that it is obligatory on the part of the Court to see the convenience of all the parties

before it;

(ii) the convenience in its ambit and sweep would include the existence of more appropriate forum, expenses involved, the law relating to the lis,

verification of certain facts which are necessitous for just adjudication of the controversy and such other ancillary aspects;

(iii) the principle of forum convenience in its ambit and sweep encapsulates the concept that a cause of action arising within the jurisdiction of the

Court would not itself constitute to be the determining factor compelling the Court to entertain the matter;

(iv) while exercising jurisdiction under Articles 226 and 227 of the Constitution of India, the Court cannot be totally oblivious of the concept of

forum convenience; and,

(v) while entertaining a writ petition, the doctrine of forum convenience and the nature of cause of action are required to be scrutinized by the High

Court depending upon the factual matrix of each case.

11. Applying the aforesaid principles, we are of the opinion that this Court is not the best suited / equipped Court and not the forum convenience

to decide the cause of action on which all the writs are based and the High Court of Punjab and Haryana would be a more suitable Court to

entertain the lis, for the following reasons:-

A. the cause of action pleaded in the petitions, for seeking the relief impugning the letter dated 13th November, 2013 and the Notification dated

29th November, 2013 of the Central Government, is of the same, either prejudicially affecting the service conditions of the members of each of the

petitioners or the effect and impact thereof being prejudicial to the interest of the public; the public to whose interest amalgamation is averred to be

prejudicial is the public residing in the area of operation of the GGB i.e. people living in the State of Haryana; similarly the cause of action for the

relief on the ground of the amalgamation affecting the service conditions of the members of the petitioners but also has to accrue at the place where

the employer was situated i.e. Gurgaon and even if it be assumed that some of the members of the petitioners may be residing at Delhi, the same

would still not vest Delhi with jurisdiction;

B. The RRB Act was enacted to provide for incorporation, regulation and winding up of RRBs with a view to developing the rural economy by

providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and

other facilities, particularly to the small and marginal farmers, agricultural laborers, artisans and small entrepreneurs;

C. The Notification for establishment of any RRB, under Section 3(1) of the RRB Act, is also required to specify the local limits within which such

RRB shall operate; it is thus not as if the RRB once established can have operations over any area; though again the petitions do not specify but it

can safely be assumed that the area of operation of GGB, making grievance of amalgamation whereof with HGB this petition is filed, must have

been within the State of Haryana only and could not have extended to Delhi;

D. that vide Section 18(2) (b) of the RRB Act also, the RRBs can undertake business of granting loans and advances within its notified area only;

E. the criteria laid down in Section 23A of the RRB Act for amalgamation of RRBs is also of public interest or interest of development of the area

served by the RRB; thus the challenge made in these petitions to the amalgamation of GGB and HGB to form SHGB has to be tested on the anvil

of public interest of the area which GGB was serving and which is situated in Haryana; it is but just and proper that the same be tested by the High

Court of Punjab and Haryana and not by this Court;

F. that the allegation in the petitions also is inter alia of the Central Government having blindly followed the opinion and views of the State

Government i.e. of the Government of Haryana; the actions of the Government of the State of Haryana are best left to be tested by the High Court

of that State rather than by the High Court of another place;

G. the Central Government is omnipresent throughout the country and is not confined to Delhi only; it is thus not as if the Central Government

cannot be sued in the High Court of the States of Punjab and Haryana;

H. the High Court of the State of Haryana has a more proximate connection to the lis, than this Court; and,

I. the action of the Central Government of amalgamation of RRBs, besides with the consultation of the State Government - in this case the

Government of the State of Haryana, is also to be in consultation with NABARD; according to the petitioners also, the Head Office of NABARD

is outside the territorial jurisdiction of this Court i.e. in Mumbai.

12. The arguments of the counsels for the petitioners during the hearing indicated that the grievance of the petitioners is more qua the PNB instead

of Syndicate Bank having been made the sponsor bank of the amalgamated SHGB; Syndicate Bank also is stated to be having its Head Office at

Bangalore, outside the territorial jurisdiction of this Court; thus out of eight respondents impleaded, only two i.e. UOI and PNB are stated to be

having office at Delhi.

13. We had during the hearing wondered as to why, inspite of the aforesaid, the petitions have been filed in this Court and had enquired from the

counsel whether any challenge as made in these petitions had been made in the High Court of Punjab and Haryana and the fate thereof. None of

the counsels were able to make any statement in this regard.

14. Though the counsels for the petitioners during the hearing did not cite any case law but post hearing have filed copies of judgments in Lt. Col.

Khajoor Singh Vs. The Union of India and Another, and Jayaswals NECO Limited Vs. Union of India (UOI) and Others , without however

specifying or highlighting as to on which part of the said judgments reliance is being placed upon. In any case, the said judgments being of the time

prior to the judgment of the Five Judge Bench of this Court in M/s. Sterling Agro Industries Ltd. (supra), we do not need to go into the same.

15. We accordingly refuse to exercise our discretionary jurisdiction under Article 226 of the Constitution of India vis-a-vis the grievance made in

these petitions and dismiss the writ petitions on the ground of this Court being not the Court of appropriate territorial jurisdiction and / or the forum

convenience to adjudicate the lis as raised in these petitions and the Courts / Fora in the State of Haryana being more apposite to entertain and

consider the said disputes.

16. We may record that the counsels during the hearing had raised certain other contentions also on merits but which are not being discussed by

us, having decided not to entertain these petitions.

No costs.