



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 26TH DAY OF MARCH, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE T.M.NADAF

WRIT APPEAL NO. 1929 OF 2024 (S-RES)

BETWEEN:

1. SBI DFHI LIMITED,
REGISTERED AND HEAD OFFICE,
VOLTAS HOUSE, 3RD FLOOR,
23, J.N.HEREDIA MARG,
BALLARD ESTATE,
MUMBAI - 400 001,
2. MANAGING DIRECTOR,
AND CHIEF EXECUTIVE OFFICER,
SBI DFHI LTD.
VOLTAS HOUSE, 3RD FLOOR,
23, J.N. HEREDIA MARG,
BALLARD ESTATE,
MUMBAI - 400 001.

PRESENT ADDRESS
5TH FLOOR, MISTRY BHAVAN,
122 DINSHAW VACCHA ROAD,
CHURCHGATE,
MUMBAI - 400 020.

REPRESENTED BY EXECUTIVE
VICE PRESIDENT AND CFO

...APPELLANTS

(BY SRI. T.P. MUTHANNA, ADVOCATE)

Digitally
signed by
REKHA R
Location:
High Court
of Karnataka



AND:

1. SRI. H SHIVA RAO,
AGED ABOUT 71 YEARS,
NO.1080, 42ND CROSS,
KUMARASWAMY LAYOUT,
1ST STAGE,
BANGALORE - 560 078.
2. RESERVE BANK OF INDIA,
CENTRAL OFFICE,
HUMAN RESOURCE
MANAGEMENT DEPARTMENT,
SHAHID BHAGAT SINGH MARG,
MUMBAI - 400 001,
REPRESENTED BY THE
CHIEF GENERAL MANAGER
3. STATE BANK OF INDIA,
CORPORATE CENTRE,
ASSOCIATE BANKS DEPARTMENT,
NARIMAN POINT,
MUMBAI - 400 021,
REPRESENTED BY THE
CHIEF GENERAL MANAGER.

...RESPONDENTS

(BY SRI. SUBRAHMANYA DATTATRAY, ADVOCATE FOR R1,
R2 & R3 SERVED AND UNREPRESENTED)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE
KARNATAKA HIGH COURT ACT, 1961, PRAYING TO CALL FOR
THE RECORDS TO SET ASIDE THE ORDER DATED:24.10.2024
PASSED BY THE LEARNED SINGLE JUDGE IN WP
No:20815/2014 AND ETC.



THIS APPEAL, COMING ON FOR PRELIMINARY HEARING,
THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MR. JUSTICE T.M.NADAF

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE D K SINGH)

The present intra Court appeal is filed impugning the order dated 24.10.2024 in W.P.No.20815/2014. The appellant is aggrieved only so far as the direction given by the Writ Court to pay the differential amount of pay and allowances to the petitioner-respondent herein by granting the pay scale and allowances on par with that obtaining in the Reserve Bank of India and re-determine the pension payable to the petitioner in accordance with the law.

2. The petitioner was appointed on 14.03.1973 by the Reserve Bank of India in the cadre of Clerk-GradeII/C.N Ex. Grade II. His appointment was confirmed on 01.01.1977. Thereafter, he was granted promotion to higher grades with effect from 07.08.1997. He was



promoted as a Staff Officer, a Grade 'A' post and was transferred from Mumbai to Bengaluru.

3. The Reserve Bank of India established a new entity called the Discount and Finance House of India Limited ('DFHI' for short) on 08.03.1988. The majority of shares of DFHI were held by the Reserve Bank of India ('RBI' for short) and other Public Sector Banks, while the remaining shares were held by all India Financial Institutions. The DFHI was recognized as a subsidiary of RBI and a deemed Government Company under the provisions of Section 619B of the Companies Act, 1956.

4. The petitioner was sent on deputation to DFHI for a period of two years at the branch of DFHI, Bengaluru vide order dated 09.02.1991. The petitioner completed two years of deputation and even thereafter his deputation continued in DFHI till 07.06.1995. The RBI transferred majority of its stake in DFHI to the State Bank of India ('SBI' for short), and its associate banks and other



nationalized banks, and other all India financial institutions. In view of the divesting the share holding by the RBI, SBI became the majority shareholder in DFHI.

5. The petitioner opted for absorption in DFHI along with 15 other such Officers/staff. The petitioner accepted the offer of absorption by the RBI on 08.05.1995, and he was issued a letter containing the terms of absorption. The terms of absorption would suggest that till the DFHI makes its own regulations, the service conditions of the petitioner would be governed as per the RBI Regulations. There was nothing in the absorption letter that for all time to come the petitioner's terms and service conditions be governed as per the RBI Regulations.

6. As the DFHI framed its regulations governing the service conditions of its employees, the petitioner who was getting the benefits as per the RBI Regulations since 2002 started getting the service benefits as per the DFHI's



own Regulations. The petitioner retired from service in the year 2010 and filed the writ petition in the year 2014 asking for payment of difference of amount than what was paid to him by the RBI and re-fixation of his pension.

7. The learned Single Judge without considering the entire content of the absorption conditions and also ignoring the fact that the petitioner had come before this Court after 12 long years by filing the writ petition, claiming difference of payment of salary and wages as well as the revision of the pension, allowed the prayer and directed the respondent No.3 to pay the difference of the amount as paid by the RBI to the similar cadre in DFHI and also revised the pension.

8. The learned counsel for the DFHI/SBI has submitted that petitioner's terms and conditions and getting the salary of the wages as per the norms of the RBI would be protected till the DFHI had framed its own Regulations. Once DFHI framed its Regulations, he was not



entitled to get the salary and wages as per the RBI Regulations.

9. We have perused the impugned judgment as well as the absorption letter. The absorption letter itself clearly mentions that the petitioner would be entitled to receive the payment of salary and other wages as per the RBI Regulations, till the DFHI frame its own Regulations. Once DFHI has put its own Regulations in place governing the service conditions of its employees, there was no question of the petitioner being paid as per the RBI Regulations.

10. Though the learned counsel for the petitioner tried to persuade us on the delay and re-fixation of the pension as per the order of the learned Single Judge, however unable to give any plausible explanation to the delay caused in approaching the Writ Court.

11. We therefore, find that the petitioner would not be entitled for the difference of the payment in salary and



wages as directed by the learned Single Judge or revision of the pension. With the aforesaid direction, we ***allow*** the appeal and dismiss the Writ Petition.

**Sd/-
(D K SINGH)
JUDGE**

**Sd/-
(T.M.NADAF)
JUDGE**

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