



IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.24951 of 2021

&

W.P.(C) No.24996 of 2021

In the matter of applications under Articles 226 & 227 of the Constitution of India, 1950.

Nayagarh District Central Petitioners
Cooperative Bank Limited,
Workers Union (AOCCBEF,
Nayagarh Unit, Nayagarh,
represented by its General
Secretary-Sri Nilamadhab Rath &
Others (In both W.Ps.)

-versus-

State of Odisha & Others Opposite Parties
(In both W.Ps.)

Advocates Appeared in this case

For Petitioners - Mr. S.Roy,
Advocate in both W.Ps.
For Opp. Parties - Mr.D.N. Lenka,
AGA for O.Ps.1 to 3 in both W.Ps.
Mr.Anurag Pati,
Advocate for O.P.4 in both W.Ps.

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MR. JUSTICE DIXIT KRISHNA SHRIPAD

Date of Hearing & Judgment : 15.12.2025

PER DIXIT KRISHNA SHRIPAD, J.

First petitioner, in both writ petitions, is the Association of Employees of the Bank, and other petitioners happen to be its



members. They are grieving before the Writ Court against the orders dated 10.08.2021 & 29.06.2021 passed by the Registrar of Cooperative Societies, Odisha whereby their representations have been rejected. In the said representations, the petitioners, who are since retired, had requested in effect for the extension of revision of pay scales pursuant to 6th Pay Commission Recommendation w.e.f. 01.01.2006 and 7th Pay Commission Recommendation w.e.f. 01.01.2016.

2. Learned counsel for the petitioners vehemently argues that right to form cooperative society itself being a fundamental right by virtue of Constitution (Ninety-Seventh Amendment) Act, 2011 w.e.f. 08.02.2012, the interference of the State Authorities in the administration of the Cooperative Society is unjustified; even otherwise according to him, there being rules promulgated under section 33-A(2) of the Orissa Cooperative Societies Act, 1962, the Registrar could not have been arrogated himself the power in the absence of non-satisfaction of the criteria mentioned in the Rules.

3. Learned counsel further submits that the petitioners were earlier before this Court in W.P.(C) No.32883 of 2020 seeking the benefit of 6th Pay Revision and a coordinate Bench of this Court, vide order dated 17.12.2020, directed for considering the subject representation of petitioners dated 24.10.2019. Similarly, the



petitioners were before this Court in W.P.(C) No.33124 of 2020 seeking the benefit of 7th Pay Revision and the said petition was disposed off on 16.1.2020 directing the opposite party no.2 therein to treat the writ petition as representation and take a lawful decision in the matter. The representations have been wrongly considered and thus, there is an error apparent on the face of the record warranting interference of this Court.

4. Learned counsel appearing for the Opposite Party No.4-Bank submits that his client, as a matter of policy, had extended the revision of subject pay scales with the respective dates, regard being had to the profit making during the relevant period. However, the Registrar having not agreed to the proposal, the impugned orders are made by him. Learned AGA Mr.Lenka appearing for the answering official Opposite Parties opposes the petitioner contending that the pay revision is one of the service conditions of the Cooperative Bank and therefore, supervisory powers do avail to the Registrar in the best interest of very society itself, which deals with the public money. So contending, he seeks dismissal of the petitions.

5. Having heard learned counsel for the parties and having perused the petition papers, this Court is inclined to grant indulgence in the matter as under and for the following reasons:-



5.1. The service conditions of the employees of the Cooperative Bank are regulated by Rule-26 of the Central Cooperative Bank Staff Service Rules, 2011 that are promulgated by the Registrar of Cooperative Societies under section 33-A(2) of 1962 Act. Rule 26 said Rules reads as under:-

"26. Pay Scales

The pay scales of each category of employees shall be decided by the Managing Committee of bank from time to time subject to the following terms and conditions:-

- a) The Cost of Management shall in no case exceed 60% of the total income and 2% of the Working Fund.*
- b) The CRAR as on 31st March of preceding 3 years should be as per the rate prescribed by RBI/NABARD from time to time, but in no case the level of CRAR should be less than 7%.*
- c) The Bank should be working on net profit for the last 3 consecutive years."*

The text of the above rule shows that the essential power of prescribing the pay scale and granting pay revision belongs to domain of Managing Committee of the Bank itself, subject to riders mentioned in Clauses a, b & c. Of course, the first proviso to Rule 26 gives some leverage for the interference of Cooperative Authorities only in the specified circumstances therein. Admittedly, the Bank which was undergoing losses earlier came to good financial position later and therefore, the policy decision was taken by the Managing Committee to extend the benefit of 6th & 7th Pay Commission respectively with effect from 01.01.2006



and 01.01.2016. When the Bank's financial position was decent, there was absolutely no justification whatsoever for the Registrar of Cooperative Society to intervene in the matter, as rightly submitted by the learned counsel for the petitioners.

5.3. There is force in the submission of learned counsel for the petitioners that right to form a Cooperative Society will lose its pith & substance, if right to manage affairs of such society is unjustifiably curtailed by the departmental authorities. It is the Managing Committee, which knows what pay scale should be given and when pay revision should be extended to its employees; of course this is subject to regulatory provisions promulgated in Rule 26, which has been already reproduced. When the Bank was earning profits, sharing a part of that with the employees is consistent with the Directive Principles of State Policy enacted in Article 43 of the Constitution as broadly interpreted by the Apex Court in of *Jalan Trading Co. (P) Limited v. Mill Mazdoor Union*, AIR 1962 SC 691.

In the above circumstances, these petitions succeed; a Writ of Certiorari issues quashing the impugned orders dated 10.08.2021 & 29.06.2021 passed by the Registrar of Cooperative Societies, Odisha. A Writ of Mandamus issues to the Opposite Party-Bank to sanction and grant the benefit of 6th Pay Revision and 7th Pay Revision to the petitioners respectively with effect from 01.01.2006



& 01.01.2016 within a period of three months. In the peculiar circumstances of the case, no interest nor cost is awarded.

Web copy of judgment to be acted upon by all concerned.

(Dixit Krishna Shripad)
Judge

Orissa High Court, Cuttack
The 15th Day of December, 2025/Basu

Signature Not Verified

Digitally Signed
Signed by: BASUDEV NAYAK
Designation: ADDL. DY. REGISTRAR-CUM-ADDL
PRINCIPAL SECRETARY
Reason: Authentication
Location: HIGH COURT OF ORISSA : CUTTACK
Date: 19-Dec-2025 17:27:40