

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 3821 OF 2014
(Arising out of S.L.P. (C) No. 3981 of 2006)

PRESIDENT, ALL INDIA ORIENTAL BANK
OF COMMERCE EMPLOYEES' WELFARE SOCIETY .. APPELLANT

VERSUS

J.S. REKHI & ORS. ...RESPONDENTS

WITH
CIVIL APPEAL Nos. 3822-3825 of 2014
(arising out of S.L.P.(C) Nos. 19863-19866/2009)
&
CIVIL APPEAL NO. 3826 OF 2014
(arising out of S.L.P. (C) No. 4319/2006)

O R D E R

All India Oriental Bank of Commerce Employees" Welfare Society (hereinafter referred to as the "Society"), petitioner herein, is a Society registered under the Societies Registration Act and it was established to work for the social, cultural and economic welfare of its members and to provide social security to their dependents in case of death of a member. Its membership is open only to the employees of the Oriental Bank of Commerce (hereinafter referred to as the "Bank").

The society floated a Pension Scheme for kith and kin of those members dying in harness and it was modified from time to time. In this batch of cases, we are concerned with a Scheme which requires the members to contribute a sum of Rs. 30/- per month for a period of 25 years and on retirement such a member was to receive a sum of Rs. 30,000/- from the society. Some of the employees of the Bank who were members of the society took voluntary retirement under a Scheme much before the date of their actual superannuation. Such members requested the society to pay a sum of Rs. 30,000/- to each of them on the ground that they have retired from service and, therefore, entitled for the aforesaid amount. It is admitted that they have not made contribution for 25 years. The society resisted their claim on the ground that the members shall be entitled to receive the aforesaid sum only on retirement after attaining the age of superannuation and further, such of the members paying their subscription as per rules. Reliance was placed by the society on a Circular dated 2.02.2001 in which it has inter alia stated as follows:

"We would like to intimate our members that as per rules and regulations the retiral benefits i.e. Rs. 30,000/- lump sum will be paid only after attaining actual superannuation age as per Bank's rule. This is for the information of the members who have opted for VRS that they should continue their membership paying their monthly subscription annually in advance or in one go. The members continuing their membership will be covered against eventuality of death. In

case of non receipt of monthly subscription as per rules, member will be ceased to be the member of the society "

Such of the members, aggrieved by the aforesaid, made complaints to the District Consumer Disputes Redressal Forum inter alia contending that there is no distinction between retirement on attaining the age of superannuation and voluntary retirement and, therefore, each member-employee shall be entitled to receive a sum of Rs. 30,000/-. The plea put forth by the members-employees was accepted by the District Consumer Disputes Redressal Forum and which has ultimately been affirmed by the State Consumer Disputes Redressal Commission as well as by the National Consumer Disputes Redressal Commission. It is in these circumstances that the petitioners have preferred these special leave petitions.

Leave granted.

Mr. D.K. Rustagi, learned counsel, appears on behalf of the appellant-society whereas respondents-members are represented by Mr. Jitender Kumar.

It is not in dispute that the appellant-society was established by the employees and officers of the Bank for the welfare of its members. It framed a Scheme which was modified from time to time and ultimately we are concerned with the Scheme which provided for Rs. 30,000/- to such of the members who contribute for 25 years and/or up to their superannuation. The Scheme provides for a total period of contribution for each member which reads as follows:

"Total period of contribution by each member

Under the existing scheme every member is to subscribe for a period of 25 years from 1st July 1982 or the date of their becoming member whichever is later. In case of retirement, before completion of 25 years period of contribution, the subscription dues to the Society for the remaining year would be adjusted from the amount of monthly pension payable by the Society."

It is vehemently contended by learned counsel for the appellant that the retirement under the Scheme could obviously mean the retirement on attaining the age of superannuation and in case any other view is taken, the corpus of the society will not be enough, so as to make payment to all the employees seeking voluntary retirement, the amount under the scheme. He further pointed out that, in fact, a clarification was made in this regard which in no uncertain terms provides that such of the members will receive the amount who had contributed a sum of Rs. 30/- per month for 25 years on retirement on attaining the age of superannuation.

On the other hand, learned counsel representing the respondents, however, submits that there is no distinction between retirement under the voluntary retirement scheme on the one hand and retirement on superannuation on the other hand and, therefore, each of the members are entitled for Rs. 30,000/- on the date of voluntary retirement.

We have given our thoughtful consideration to the rival submissions and we find substance in the submission of Mr. Rustagi. True it is, that there may not be any distinction between retirement under the voluntary retirement scheme for the purpose of service benefits under the Rules from the employer, i.e., the Bank but that principle cannot be applied *stricto sensu* in case of the scheme in question. Under the scheme, the members were expected to make contributions and those contributions were to be invested so as to earn interest and make the scheme viable. Under the scheme, a member, in fact,

pays a sum of Rs. 9,000/- but he receives a sum of Rs. 30,000/- on attaining the age of superannuation. It shall be possible only when the contributions made by the members are usefully invested and from its earning, the amount is paid to them. Any other view will seriously jeopardize the scheme itself. In that view of the matter, we are of the considered opinion that retirement under the Scheme would mean retirement on attaining the age of superannuation.

In view of what we have observed hereinabove, the view taken by the District Consumer Disputes Redressal Forum as affirmed by the State Consumer Disputes Redressal Forum and the National Consumer Disputes Redressal Commission cannot be allowed to stand.

We make it clear that the members shall be entitled to the benefit under the Scheme if they satisfy the other contingencies provided under the Scheme.

In the result, we allow these appeals, set aside the impugned orders passed by the fora below and affirmed by the National Consumer Disputes Redressal Commission with the observation aforesaid but without any order as to costs.

.....J.
(CHANDRAMAULI KR. PRASAD)

.....J.
(PINAKI CHANDRA GHOSE)

New Delhi;
March 12, 2014

ITEM NO.1(PH) COURT NO.9 SECTION XVII

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No(s).3981/2006
(From the judgement and order dated 14/09/2005 in RP Nos. 1068 to 1089 of 2005 of The NATIONAL CONSUMERS DISPUTES REDRESSAL COMMISSION, NEW DELHI)

PRESIDENT, ALL INDIA ORIENTAL BANK OF
COMMERCE EMPLOYEES WELFARE SOCIETY Petitioner(s)

VERSUS

J.S. REKHI & ORS. Respondent(s)
(With appln(s) for extension of time and prayer for interim relief and office report)(For Final Disposal)

WITH SLP(C) NO. 19863-19866 of 2009
(With prayer for interim relief and office report)(For Final Disposal)

SLP(C) NO. 4319 of 2006
(With appln(s) for extension of time and with prayer for interim relief and office report)

Date: 12/03/2014 These Petitions were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE CHANDRAMAULI KR. PRASAD
HON'BLE MR. JUSTICE PINAKI CHANDRA GHOSE

For Petitioner(s) Mr. D.K. Rustagi, Adv.
Mr. Rajesh Srivastava, Adv.
Mr. Raghvendra Pratap Singh, Adv.
Ms. Suresh Kumari, Adv.

For Respondent(s) Mr. Jitendra Kumar, Adv.
 Mr. Raj Kishor Choudhary, Adv.
 Mr. Alok Kumar, Adv.
 Mr. Abhijeet Kumar, Adv.

UPON hearing counsel the Court made the following
 O R D E R

Leave granted.
The appeals are allowed in terms of the signed order.

	(S.K. Rakheja)		(Indu Satija)	
Court Master		Assistant Registrar		

(Signed order is placed on the file)