

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1425  
ANSWERED ON:03.03.2006  
REVISION OF PAY SCALES OF RRBS EMPLOYEES  
Acharia Shri Basudeb;Pradhan Shri Prasanta

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government in its orders asked Regional Rural Banks to revise the pay and allowance & other benefits to employees, as per direction of Supreme Court of India;
- (b) if so, the details thereof;
- (c) whether revision of other benefits have been left to the sponsor banks;
- (d) if so, the sponsor banks which are so far revised/introduced such allowances and benefit; and
- (e) the time to be required to revise all components of pay, allowances and benefit as per comparable posts in the sponsor banks?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) In exercise of the powers conferred under Second Proviso to Section 17(1) of Regional Rural Banks Act, 1976 (RRBs Act, 1976) and in accordance with the directions of the Supreme Court dated 31.01.1999 in Civil Appeal No. 2218 of 1999 in the matter of South Malabar Gramin Bank Employees Union and Others, the Government of India revised the pay scales of the employees/officers of RRBs equal to the corresponding categories of employees of the nationalized banks vide letter dated 6.10.2005 to the Chairmen of RRBs except Kshetriya Kisan Gramin Bank, Mainpuri. The details thereof are as under :

(i) Pay scales and Dearness Allowances of each RRB employee as on 1.11.2002 would be equal to the corresponding categories of employees of the nationalized commercial banks.

(ii) House Rent Allowance and City Compensatory Allowance would be payable at the same rate as applicable to corresponding categories of employees of the nationalized commercial banks w.e.f. 1.11.2002.

(iii) As far as other allowances are concerned the individual sponsor banks shall negotiate the same with the RRBs sponsored by them.

(iv) The current payment in the increase in the salary should be made effective in the salary for the month of October, 2005. The arrears shall be paid in two instalments, one half should be paid immediately and the second half as on 01 April 2006. It was also clarified vide letter dated 25.10.2005 that pay includes Special Pay also, if any.

(c):- Yes, Sir.

(d) & (e):- In order to arrive at a consensus for revision of other allowances and benefits, the sponsor banks held a meeting with NABARD on 27.01.2006. The sponsor banks have initiated the process for the revision of other allowances and are required to revise the same in consultation with RRBs.