

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA

Unstarred Question No. 4197

Answered on Monday, March 27, 2023/Chaitra 6, 1945 (Saka)

STAFF OF NABARD

4197. SHRI GANESH SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether NABARD bank was set up by transferring some officials of the Reserve Bank of India (RBI) promising salaries and allowances to its employees on the lines of RBI;
- (b) whether the Government has revised salaries from 2017 to 2022 which is very low in comparison to RBI, if so, the details thereof;
- (c) whether the revision in pension of NABARD bank employees is not being taken up along with revision in salaries;
- (d) if so, whether there is wide spread resentment among the officials of the NABARD bank due to this decision; and
- (e) if so, whether the Government is likely to reconsider the said decision and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) & (b) National Bank for Agriculture and Rural Development (NABARD) was set up under the provision of NABARD Act, 1981. Section 50 deals with the staff of NABARD and also regulates the service conditions of those staff of RBI who were appointed in NABARD consequent upon transfer of the related functions of RBI to NABARD. The following provisions of the section are relevant:

- (i) Section 50 (2) provides that it shall be lawful for NABARD to utilize, and for Reserve Bank of India (RBI) to make available, the services of such staff of RBI on such terms and conditions as may be agreed upon between NABARD and RBI.
- (ii) Sub-section (8) provides that every staff of RBI or of the Agricultural Re-finance and Development Corporation who is deemed to be appointed in NABARD is deemed to have been appointed by NABARD on the same salary, emoluments and other terms and conditions of service to which he was entitled immediately before appointment in NABARD.
- (iii) Sub-section (9) provides that provisions relating to superannuation benefits, namely, regulations relating to provident fund and rules relating to payment of gratuity and compassionate gratuity and any other provision relating to superannuation as are applicable to the staff of RBI on the appointed day shall, so far as may be, apply to the staff of NABARD, unless and until NABARD amends or alters the same. (Explanation to the section provides that "appointed day" means the date of establishment of NABARD (12.7.1982, vide notification S.O. 484(E) dated 6.7.1982)).

(iv) Sub-section (11) provides that NABARD shall be free to alter, amend or repeal in such manner and to such extent as it may consider necessary, any terms and conditions of service applicable to such persons whose services are so transferred to NABARD, except that NABARD shall not alter to their prejudice the terms relating to payment of salary and other emoluments, retirement benefits and eligibility for leave.

In light of the above cited provisions of the NABARD Act, the scales of pay and allowances of the workmen employees and officers of NABARD were revised w.e.f. 01.11.2017 keeping in view the settled principles of wage revision in the Banking Industry/Financial Sector as well as the internal and external relativities in such matters. The pay scales and allowances in respect of those officers and staff from RBI, who had joined NABARD at the time of its formation were revised on the lines of RBI.

(c) & (d) The Government had conveyed to the NABARD Retired Officers' Welfare Association that the claim of NABARD's pensioners for updation of their pension in parity with that allowed by RBI to its pensioners, was not supported by relevant provisions of the NABARD Act and therefore, not found justified. The matter is presently *sub-judice*. The employees and officers' associations of NABARD have resorted to agitation programmes, *inter-alia*, against this decision.

(e) There is no such proposal.
