

American Express International ... vs S. Sundaram And Ors. on 17 August, 1977

Equivalent citations: [1977(35)FLR319], (1977)IILLJ254SC, (1978)1SCC101, AIRONLINE 1977 SC 1

Bench: P.S. Kailasam, Y.V. Chandrachud

ORDER

1. We have heard learned counsel for both the sides in the special leave petition. One of the main arguments advanced by Mr. Pai, to behalf of the petitioner-the American Express International Banking Corporation, is that, in view of the directions issued by the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949, it is not open to the petitioner-Bank to pay in excess of six per cent the bonus to the respondents and the other employees even if such bonus is payable under an agreement between UK Bank and its employees. We would like to clarify that, in view of the judgment dated March 30, 1977 of the Industrial Tribunal against which the petitioner has filed the special leave petition, the directions, if any, issued by the Reserve Bank cannot stand in the way of petitioner in making the payment of bonus in excess of six per cent. The Tribunal has held that the Bank is liable to pay the bonus in accordance with the agreement and, therefore, the directions of the Reserve Bank can no longer be operative as impediment in the payment of bonus. The special leave petition is dismissed.