

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

Date of Decision: 24.09.2015

CWP No.6823 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6834 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6835 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6836 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6906 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6911 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6917 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6919 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6920 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6921 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6922 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.
... Respondents

CWP No.6923 of 2013

Punjab State Industrial Development Corporation Limited
... Petitioner
Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CWP No.6925 of 2013

Punjab State Industrial Development Corporation Limited

... Petitioner

Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CWP No.6926 of 2013

Punjab State Industrial Development Corporation Limited

... Petitioner

Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CWP No.6927 of 2013

Punjab State Industrial Development Corporation Limited

... Petitioner

Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CWP No.6928 of 2013

Punjab State Industrial Development Corporation Limited

... Petitioner

Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CWP No.6930 of 2013

Punjab State Industrial Development Corporation Limited

... Petitioner

Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CWP No.6974 of 2013

Punjab State Industrial Development Corporation Limited

... Petitioner

Versus

Industrial Tribunal-cum-Labour Court, Jalandhar & ors.

... Respondents

CORAM:- HON'BLE MR. JUSTICE RAJIV NARAIN RAINA

Present: Mr. Vikas Mohan Gupta, Advocate,
for the petitioner.

Mr. Aseem Aggarwal, Advocate,
for respondent No.3.

Mr. Hoshiar Singh, Advocate, for
Mr. Sanjeev Sharma, Advocate,
for respondent No.4.

Mr. Sudhanshu Makkar, Advocate,
for respondents No.6 & 7.

1. To be referred to the Reporters or not? .
2. Whether the judgment should be reported in the Digest?

RAJIV NARAIN RAINA, J.(Oral)

This order will dispose of writ petitions bearing Nos.6823, 6834, 6835, 6836, 6906, 6911, 6917, 6919, 6920, 6921, 6922, 6923, 6925, 6926, 6927, 6928, 6930 and 6974 of 2013 as common questions of law and fact are involved in them which can conveniently be decided by a common order. The facts are taken from CWP No.6823 of 2013 for convenience.

M/s North Land Sugar Complex Ltd. presently in liquidation was proceeded against under Section 29 of the State Financial Corporations Act, 1951 by the petitioner-Punjab State Industrial Development Corporation Limited (PSIDC) on July 17, 1996. The assets of the petitioner-company were sold by the Corporation on October 19, 1997 by public auction. The assets realized from the sale were lying with the corporation when the Company went into liquidation on the same day i.e. October 19, 1997 as was the date of auction. As a result, the sale proceeds credited in the accounts of the Corporation were partially transferred to the Official Liquidator attached to this Court, which

amount would include any sums payable to the present workmen under court orders.

The Labour Court, Jalandhar, has answered the reference under Section 10(1) (c) of the Industrial Disputes Act, 1947 and has made awards partially allowing the reference. Reinstatement has been denied because the factory owned by the Company where they were employed is closed. In lieu of reinstatement, compensation has been awarded by the Labour Court to the workmen in different amounts in these set of 18 cases arising from the awards of the labour court. By way of example in CWP No.6823 the Labour Court has awarded Rs.79,200/- as compensation to the workman concerned.

Liability has been fastened on PSIDC by the Labour Court which has brought them to Court feeling aggrieved, praying for relieving them of the burden cast by the court a quo on the ground that the Corporation had proceeded under Section 29 of the State Financial Corporation Act, 1951 to secure its debts owed by the Company for which the assets of the company were sold to discharge NPA loans extended to the Company. It has received an amount of Rs. 60 crores and odd including interest towards the liability. PSIDC has recovered its recoverable debts and thereafter transferred the remaining amount to the Official Liquidator which represents about Rs.30 crores and odd. Since the money is now with the Official Liquidator, it becomes his duty to discharge the monetary liability to the workmen under the awards which represent compensatory wages which are protected in priority over other debts of secured creditors etc. by virtue of overriding preferential payments to workers' dues under Section 529A of the Companies Act,

1956. It is therefore the bounden duty of the Official Liquidator to discharge that liability towards the 18 workmen on priority. The total amount of liability in 18 cases would approximate about only Rs.18.00 lacs to 20.00 lacs along with element of interest accruing from October 19, 1997 as the Court is informed. The awards are affirmed.

All the petitions are allowed. PSIDC is excused for the proceedings for payment of compensation/workers' dues as awarded by the labour court and instead the liabilities are ordered to pass on to the official Liquidator-respondent No.3 attached to this Court to discharge. The workers would now furnish certified copies of their respective awards before the Official Liquidator and payments would be made to them on presentation of the request for release of money according to the awards subject to orders as may be passed by the Company Court on an application presented by the Official Liquidator for the purpose. The Official Liquidator will now present the necessary application before the learned Company Judge of this Court within 14 days from the date of receipt of the certified copy of this order.

(RAJIV NARAIN RAINA)
JUDGE

24.09.2015
monika