

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

Date of decision: 03.10.2017

1. CWP-20425-2016 (O & M)

Chadha Sugars and Industries Pvt. Ltd.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

2. CWP-20674-2016 (O & M)

A B Sugars Ltd.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

3. CWP-20678-2016 (O & M)

M/s Wahid Sandhar Sugars Ltd.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

4. CWP-20716-2016 (O & M)

M/s Nahar Industrial Enterprises Ltd.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

5. CWP-20798-2016 (O & M)

Bhagwanpura Sugar Mills and anr.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

6. CWP-21221-2016 (O & M)

A B Sugars Ltd.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

7. CWP-20998-2016 (O & M)

M/s Rana Sugars Ltd.

....Petitioner(s)

V/s

State of Punjab and ors.

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE RAJAN GUPTA

Present: Mr. Chetan Mittal, Sr. Advocate, with
Mr. Kunal Mulwani, Advocate, (in CWP-20425),
Mr. Sudhanshu Makkar, Advocate, (in CWP-20674 &
CWP-21221),
Mr. Rahul Sharma-I, Advocate, (in CWP-20678),
Mr. Aalok Jagga, Advocate, (in CWP-20716) and
Mr. Aman Bansal, Advocate (in CWP-20798),
for the petitioner(s).

Mr. Harsimran Singh Sethi, Addl.A.G., Punjab.

Rajan Gupta, J. (Oral)

This order shall disposed of CWP Nos.20425, 20647, 20678, 20716, 20798, 20998 and 21221 of 2016 as a similar issue is involved therein.

Petitioners, which are sugar mills operating in the State of Punjab, have questioned the letters issued by the State Government whereby petitioners have been asked to pay additional Rs.50/- per quintal for the Season 2015-16 on the ground that they sold sugar at an average price of Rs.3,000/- per quintal.

Stand of the State is that it paid Rs.50/- to all the farmers for the season 2015-16. It was found later that sugar mills had been able to sell sugar at the average price of Rs.3,000/- per quintal. The matter was, thus, considered by a High Powered Committee of the State Government. After deliberations it was decided that Rs.50/- per quintal for the relevant period be demanded from the sugar mills. This decision of the High Powered Committee was formally approved by the Cabinet.

Petitioners seriously dispute that any decision was taken by the Cabinet immediately prior to issuance of impugned letters. Besides, neither representations of the petitioners were considered nor they were given any opportunity to put forward their case. Simply impugned letters were issued foisting huge liability on the petitioner-sugar mills. This is despite the fact that letter dated 23.11.2015 issued by the Cane Commissioner was unconditional and the private sugar mills operated on the basis of assurance that they would not be burdened with the liability to pay additional Rs.50/- per quintal to the State. Later, however, a one-sided decision was taken by the State Government.

On due consideration of the matter, this court finds that the stand of the petitioners and the State Government is at variance. During the course of arguments, reference has been made by the petitioners to the stand taken by the State Government in Paras 9 and 10. It has been emphatically submitted that a conscious decision had been taken by the State Government that for the crushing Season 2015-16, the sugar mills will make payment @ Rs.245/- per quintal and balance burden would be borne by the State Government.

Keeping in view the facts and circumstance of the case, this court does not intend to express any opinion on the factual aspects of the matter. However, as no opportunity of hearing was afforded to the petitioners at the time of issuance of impugned letters, the writ petitions are hereby disposed of with a direction that Chief Secretary to constitute a High Powered Committee, which would take a fresh decision after affording an opportunity of hearing to a representative of the petitioners.

Mr. Sethi, on instructions from Jaswant Singh, Cane Commissioner, submits that this proposal is acceptable to the State Government, however, reasonable time be granted for taking a decision.

In view of above, three months time is hereby granted. Till then, coercive steps pursuant to impugned letters, may not be taken. It is also made clear that the Committee would take an independent decision based on record and impugned letters raising demand of Rs.50/- per quintal shall not stand in its way.

October 03, 2017
sukhpreet

(RAJAN GUPTA)
JUDGE

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No