2025:PHHC:037888-DB

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

LPA-392-2022
Date of Decision: March 17, 2025

Sukhwinder Singh and others .....Appellants

Versus

State of Punjab and others ..... Respondents

CORAM:- HON'BLE MRS. JUSTICE LISA GILL
HON'BLE MR. JUSTICE ALOK JAIN

Present: Mr. H.S. Saggu, Advocate for the appellants.

Mr. Saurabh Kapoor, Addl.AG, Punjab.

Mr. Vikas Singh, Advocate for respondents No. 3 and 4.

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LISA GILL, J.

1. Prayer in this appeal is for setting aside order dated 21.04.2022 passed by learned Single Bench whereby writ petition filed by present appellants (writ petitioners) has been dismissed.

2. Appellant/writ petitioners filed CWP-8142-2022 for setting aside order dated 11.03.2022 passed by respondent No. 4, whereby their claim for payment of benefits under Voluntary Retirement Scheme (Annexure P1) after addition of benefits as per revised pay scales under Fifth Pay Commission, Punjab was rejected. Appellants (writ petitioners) were serving Faridkot

Cooperative Sugar Mills Limited, Faridkot which was ordered to be liquidated in the year 2005. The said Sugar Mill admittedly shut down its operations in the year 2005. They opted for Voluntary Retirement Scheme (Annexure P1), which was promulgated for the closed Cooperative Sugar Mills including the Sugar Mill at Faridkot. Financial benefits in terms of the Scheme were duly released to the writ petitioners. Representation dated 13.08.2021 was submitted by some of the appellants requesting for release of retiral benefits after addition of benefits of revised pay scales as per Fifth Pay Commission, Punjab.

3. CWP-1938-2022 filed by appellants was disposed of on 03.02.2022 with a direction to respondents to consider their representation and decide the same in accordance with law by passing a speaking order. Accordingly, in compliance thereof, speaking order dated 11.03.2022 was passed rejecting their claim.

4. Aggrieved thereof, CWP-8142-2022 was filed, which was dismissed by learned Single Bench vide impugned order dated 21.04.2022. It is observed by learned Single Bench that Faridkot Sugar Mill was ordered to be liquidated in the year 2005 and that process of liquidation was already in process on the date when recommendation by Fifth Pay Commission was given and accepted by the State Government. Liquidation process was at its final stage(s) when recommendation of Fifth Pay Commission was accepted by the State of Punjab qua its own employees. Conscious decision had been taken not to grant benefit of revised pay scales to employees of Sugar Mills which were under liquidation so as to avoid any further financial burden upon them. No fault was found with this decision of the employer. It was, thus, held that as the Sugar Mill was already under liquidation due to financial distress, decision of

respondents to not revise the pay scale of employees pursuant to recommendation of Fifth Pay Commission did not suffer from any arbitrariness or legal infirmity. Aggrieved therefrom, present appeal has been filed.

5. Learned counsel for appellants vehemently argues that appellants have suffered a double blow inasmuch as firstly Sugar Mill where they were serving was liquidated and secondly benefits released to them did not include the benefits of pay revision as recommended by Fifth Pay Commission. Discrimination vis-a-vis employees still working has been alleged. It is, thus, prayed that this appeal be allowed, impugned order dated 21.04.2022 be set aside and writ petition filed by appellants be allowed as prayed for.

6. Learned counsel for respondents No. 3 and 4 has refuted the arguments raised on behalf of the appellants while submitting that order dated 21.04.2022 has been correctly passed after considering the entire facts and circumstances. It is submitted that Sugar Mill was admittedly under liquidation much prior to recommendations of Fifth Pay Commission with report being submitted by the Commission on 01.01.2006 when all operations had been closed. Moreover, no comparison can be made between present appellants and employees of running Sugar Mills. He refers to decision dated 05.01.2025 in LPA-146-2020 and other connected matters including LPA-189-2020, which was filed by Faridkot Cooperative Sugar Mills Limited. Said LPAs filed by Cooperative Sugar Mills were allowed. Order dated 16.10.2019 passed by learned Single Bench, whereby employees of the closed Sugar Mills were held entitled to merger of 50% of Dearness Allowance in last basic pay drawn by them in terms of definition of salary as contained in the Voluntary Retirement Scheme was set aside. Division Bench while allowing the appeals filed by Sugar

Mills concluded that claims of employees of closed sugar Mills cannot be considered on parity with employees of running Sugar Mills. Benefits as released to them were in accordance with Voluntary Retirement Scheme and no error in calculations were found. Learned counsel for respondents No. 3 and 4 submitted that appellants themselves opted for Voluntary Retirement Scheme (Annexure P1) and in case they had not opted for the same, they would have been granted retrenchment benefits as per relevant Rules. Once having opted for the Scheme, they are not entitled to any subsequent revision in the pay scales of employees of the running cooperative sugar mills. Learned counsel for respondents No. 3 and 4 further submits that issue as raised in the present appeal is similar and stands conclusively decided by Division Bench on 15.01.2025, therefore, this appeal should be dismissed.

7. We have heard learned counsel for parties and have perused the file with their able assistance.

8. It is not in dispute that Faridkot Cooperative Sugar Mill was under liquidation prior to the recommendations of Fifth Pay Commission. Writ petitioners admittedly opted for Voluntary Retirement Scheme (Annexure P1). Benefits thereunder have been released to them in accordance thereof. In similar circumstances, Division Bench vide order dated 15.01.2025 has set aside order dated 16.10.2019 passed by learned Single Bench whereby employees of the closed Sugar Mills were held entitled to merger of 50% of Dearness Allowance on last basic pay drawn by them, in terms of order dated 10.02.2009 whereby similar benefit was afforded to employees of Sugar Mills which were still running.

9. In the given facts and circumstances we do not find any illegality, infirmity or irregularity in impugned order dated 21.04.2022 which calls for interference by this Court.

10. No other argument has been addressed.

11. Appeal is, accordingly, dismissed.

(LISA GILL)
JUDGE

March 17, 2025 **(ALOK JAIN)**
Rts **JUDGE**

Whether speaking/reasoned: Yes/No
Whether reportable: Yes/No