202 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Date of Decision : 06-03-2026

1. LPA-417-2023 (O&M)

NAKODAR CO-OP. SUGAR MILLS LIMITED
........Appellant(s)

VERSUS

SUKHJEET SINGH AND OTHERS
........Respondent(s)

2. LPA-415-2023 (O&M)

NAKODAR CO-OP. SUGAR MILLS LIMITED
........Appellant(s)

VERSUS

JASWANT SINGH AND OTHERS ....Respondent(s)

3. LPA-419-2023 (O&M)

NAKODAR CO-OP. SUGAR MILLS LIMITED
........Appellant(s)

VERSUS

LAKHBIR SINGH AND OTHERS ....Respondent(s)

4. LPA-589-2023 (O&M)

NAKODAR CO-OP. SUGAR MILLS LIMITED
........Appellant(s)

VERSUS

MAJOR SINGH AND OTHERS ....Respondent(s)

5. LPA-1295-2023 (O&M)

FAZILKA CO-OPERATIVE SUGAR MILLS LIMITED FAZILKA

........Appellant(s)

VERSUS

SUGARCANE GROWER WELFARE SOCIETY AND OTHERS

........Respondent(s)

6. LPA-1926-2023 (O&M)

AJNALA CO-OPERATIVE SUGAR MILLS LIMITED

........Appellant(s)

VERSUS

NANAK SINGH AND OTHERS ....Respondent(s)

7. LPA-169-2024 (O&M)

NAKODAR CO-OPERATIVE SUGAR MILLS LIMITED

........Appellant(s)

VERSUS

AMAR PAL SINGH AND OTHERS ....Respondent(s)

8. LPA-616-2024 (O&M)

MORINDA CO-OPERATIVE SUGAR MILLS LIMITED

........Appellant(s)

VERSUS

BHARTI KISSAN UNION PUNJAB AND OTHERS

........Respondent(s)

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI

Present: Mr. Rahul Sharma, Advocate with
Mr. Shrome Garg, Advocate
for the appellant(s) in LPA No.1295 of 2023.

Mr. Vikas Singh, Senior Advocate with
Ms. Anamika Sheoran, Advocate
for the appellants in LPA Nos. 417, 415, 419 and 589 of 2023
and LPA Nos.169 and 616 of 2024.

Mr. R.S Bains, Senior Advocate with
Mr. Anmoldeep Singh, Advocate,
Mr. Sumeet Singh, Advocate and
Mr. Utsav Singh Bains, Advocate
for respondent No.1 in LPA No.616 of 2024.

Mr. Ashish Rawal, Advocate
for respondent-UOI in LPA Nos. 415, 417 and 419 of 2023.

Mr. Tanmoy Gupta, Advocate and
Mr. Rohit Kaushik, Advocate
for respondent No.5-UT in LPA No.616 of 2024.

Mr. Sahil Soi Advocate
For the respondent in LPA Nos. 415, 417, 419 and
589 of 2023.

Ms. Seema Kumari, Advocate for
Ms. Sonia G. Singh, Advocate
for respondent No.1 in LPA No.1926 of 2023.

HARSIMRAN SINGH SETHI, J. (Oral)

1. Present are the bunch of eight writ petitions, the details of which are mentioned in the heading involve common question of law in the context of common bunch of facts and thus they are being decided by a common order.

2. In the present bunch of appeals, challenge is to the order dated 14.11.2022 as well as order dated 11.01.2023 passed by the learned Single Judge by which, the learned Single Judge has allowed the grant of interest

on the delayed release of payments qua the sugarcane supplied by the respondents to the appellant.

3. Learned counsel appearing on behalf of the appellant(s) submits that the individuals, who had come before the Court, could have raised the issues for the grant of the interest for the sugarcane supplied by them but, the society namely Sugarcane Grower Welfare Society, cannot come forward as nothing has come on record as to who all are the members of the said Society and whether, any such member had ever supplied the sugarcane to the appellant-Sugar Mill or was prejudiced in any manner hence, the impugned order dated 11.01.2023 passed in CWP No. 22835 of 2017, allowing the writ petitions filed by the Society in terms of the order passed in CWP No.3098 of 2020 titled ***"Sukhjeet Singh vs. Nakodar Co-operative Sugar Mills Ltd. and ors"*** decided on 14.11.2022, is incorrect.

4. Learned counsel for the appellants(s) submits that the Society could not have agitated the said issue, which fact has been ignored by the learned Single Judge while passing the impugned order dated 11.01.2023.

5. Learned counsel for the appellant(s) further argues that no writ petition could have been entertained against the appellant(s)-Sugar Mill as the appellant is not covered under Article 12 of the Constitution of India, which fact has also been ignored by the learned Single Judge while directing the payment of interest by the appellant(s) to the respondent-farmers who had supplied the sugarcane to the appellant(s)-Sugar Mill.

6. Learned counsel for the appellant(s) submits that the present bunch of cases does not belongs to public law dispute, the grant of the benefit of interest, cannot be made applicable in the facts and circumstances of the present bunch of cases.

7. Learned counsel for the appellant(s) submits that at the most, the present case can be said to arise out of a contract between the appellant(s)-Sugar Mill and the respondent-farmers hence, the claim of interest can only be raised in the appropriate proceedings and not in the writ petition even if, there is a delay in the release of the payments in lieu of the sugarcane supplied by the respondent-farmers to the appellant-Sugar Mill.

8. The last argument raised on behalf of the appellant(s) is that the orders dated 14.11.2022 and 11.01.2023 passed by the learned Single Judge, are contradictory as, at one stage, the Sugarcane (Control) Order, 1966 has been held to be not applicable but, the relief of interest has been granted under the said order itself hence, the same are contradictory and are liable to be set aside.

9. Further, learned counsel for the appellant(s) further submits that the rate of interest should not be 15% as envisaged under the Sugarcane (Control) Order, 1966, but should instead be determined under Section 34 of the Code of Civil Procedure, i.e., at the bank rate admissible.

10. Learned Senior Counsel appearing on behalf of the respondents submits that all the aforesaid issues have been duly considered by the learned Single Judge, including the maintainability of the writ petition in the facts and circumstances of the present bunch of cases, as well as the grant of interest at the rate of 15% for which due reasons have been provided. It is contended that the said reasons assigned are valid and justified, and therefore, the orders dated 14.11.2022 and 11.01.2023 passed by the learned Single Judge, may kindly be upheld.

11. We have heard learned Senior counsels appearing on behalf of the respective parties and have gone through the records of the present bunch of cases with their able assistance.

12. The first issue raised by learned counsel for the appellant(s) is that the Society was not entitled to claim interest, and that such a claim could only have been made by the individual farmers themselves.

13. It may be noticed that the order passed by the learned Single Judge in ***"Sukhjeet Singh Vs. Nakodar Co-operative Sugar Mills Ltd. and ors."*** dated 14.11.2022, whereby four writ petitions have been decided which relates to the private individuals and the said arguments will not be applicable upon the respondent-farmers except in LPA No. 616 of 2024 arising out of CWP No.12378 of 2015 titled "***Vijay Pal Sharma And Others vs. Union Territory Of Chandigarh and others***" decided on September 15, 2023 wherein the writ petition relates to the Bharti Kissan Union and CWP No.22835 of 2017 titled ***"Sugarcane Grower Welfare Society through its President vs. Union of India and ors.",*** decided on 11.01.2023.

14. Learned counsel for the appellant(s) raised an argument that the Society cannot approach this Court to seek interest on the delayed payment though, the said argument has merit as in the appended case keeping in view the facts of the said case, it is a conceded position that the individual farmers are the members of the said society.

15. Once the individual farmers, who are members of the said society, are aggrieved, in the same manner as other similarly situated farmers who had approached this Court in their individual capacity and were granted relief, the mere fact that the society has also approached the Court will not render the order dated 11.01.2023 passed by the learned Single

Judge incorrect. The individual farmers had also raised the same claim as raised by the society on behalf of its members, who are similarly situated farmers hence, once relief was being given to individual farmers qua the same claim, rejecting the claim of farmers, who approached through their Society, cannot be rejected.

16. Nothing has come on record to show that the appellant(s) had raised any contention that none of the members of the Society had supplied them the sugarcane for which, they were claiming interest.

17. Once, the members of the society had supplied the sugarcane to the appellants, such members either individually or through the Society, could have agitated the same.

18. Even otherwise, the grant of interest is to be made by the appellant on the basis of the claim raised by individual farmers by giving due facts, merely, whether such farmers approached individually or through Society will not make a difference qua the maintainability of the claim. Hence, as individual claim has also been allowed by the learned Single Judge vide order dated 14.11.2022, such claim raised by the similarly situated farming Society was rightly extended hence, no grievance can be raised by the appellant(s)-Sugar Mill.

19. Therefore, keeping in view the facts and circumstances of the present bunch of cases, wherein, except for one writ petition, i.e. CWP No.12378 of 2015, all the remaining petitions were filed by individual farmers and identical relief has been granted to all in the peculiar facts and circumstances of the case, the objection by the appellants raised that the Society has approached the Court instead of the individual farmers cannot be accepted.

20. The second argument which has been raised by the learned Senior counsel for the appellant(s) is that, the writs petitions are not maintainable.

21. It is contended that a writ petition is not maintainable against the Society and a reliance has been placed upon the judgment of the Hon'ble Supreme Court of India in Criminal Appeal No.5466 of 2002 titiled ***"General Manager, Kisan Sahkari Chini Mills Ltd. Sultanpur, U.P. Vs. Satrugan Nishad and ors.",*** decided on 08.10.2003.

22. It may be noticed that the said case pertained related to a service dispute not regarding the payment of interest due to the farmers, which payment was a conceded fact before the Court. Once the farmers were made to entrust the sugarcane to the appellant and the same was duly processed, denial of the benefit of interest on the delayed release of entitled payment would not be justified. In the peculiar facts and circumstances of the present bunch of cases, as detailed hereinbefore, this Court was well within its jurisdiction to entertain the matter. Once, the liability is not rebutted qua the delayed payment, the intention of the appellant to only buy time to grant the relief to the respondent-farmers, is liable to be rejected in order to do substantive justice is respect of undisputed claim of the respondent-farmers.

23. It may be noticed that the discretion exercised by the learned Single Judge in the facts and circumstances of the present case, was to entertain a plea against a co-operative society on the ground that the sugarcane had been supplied under a statutory provision.

24. Further, the Cane Commissioner had already directed the payment of interest on the delayed payments vide memo dated 19.05.2020,

payable at the rate of 15% per annum, which is a conceded fact on behalf of the appellant(s) herein.

25. Not only this, the issue with regard to interest had also been placed before the Division Bench of this Court in CWP No.17915 of 2004 titled "***Narinderjit Singh Vs The Nakodar Cooerative Sugar Mill Etc***" decided on 27.07.2005, wherein, also the grant of benefit of interest was allowed by the co-ordinate Bench, and has attained finality.

26. Once the said facts were before the learned Single Judge and the judgment of the Division Bench in CWP No.17915 of 2004, granting the same benefit as claimed by the farmers, was not disputed, the learned Single Judge was bound to follow the same rather than dismissing the writ petition on the ground of maintainability. Hence, in the peculiar facts and circumstances of the present case, the discretion exercised by the learned Single Judge to entertain the writ petition for the grant of interest cannot be treated as without jurisdiction or without justification, as explained hereinbefore.

27. The last argument raised by learned Senior Counsel for the appellant(s) is that the judgment is contradictory inasmuch as, at one point of time, the learned Single Judge has observed that the Sugarcane (Control) Order, 1966 is not applicable in the facts and circumstances of the present case, whereas ultimately interest at the rate of 15% per annum has been granted by applying the said Order under Clause 3 (3-A).

28. The learned Single Judge has observed that a plain reading may not render the Sugarcane (Control) Order, 1966 directly applicable;

however, the facts and the conduct of the parties indicate that the same would be applicable qua the determination as to such interest needs to be allowed to the respondent-farmers on account of delayed payment. Accordingly, for the purpose of grant of interest, reliance could be placed upon the provisions of the said Order rather than strictly applying Section 34 of the Code of Civil Procedure.

29. The said finding cannot be treated as without basis, particularly when the rate of interest has to be adjudicated upon with reference to whether it is to be granted as applicable under a particular statute or under Section 34 of the Code of Civil Procedure read with Section 3 of the Interest Act, 1978.

30. Once interest at the rate of 15% per annum had also been granted by the Cane Commissioner against the appellant(s)-Sugar Mill for its failure to pay the amount within 14 days as per Clause 3 (3-A) of the Sugarcane (Control) Order, 1966, the reliance placed by the learned Single Judge on the same while granting the said benefit cannot be treated as without jurisdiction or perverse in the facts and circumstances of the present case, especially when the Division Bench had also granted the said benefit while deciding CWP No.17915 of 2004.

31. Keeping in view the totality of the circumstances, coupled with the fact that the farmers had no option but to supply their sugarcane under the statutory scheme to the Sugar Mills, i.e., the appellant(s), and it being a conceded position that the payments due to them were not released in time so as to entitle them to claim interest, the grant of interest by placing reliance upon the Sugarcane (Control) Order, 1966, needs no interference at the hands of this Court. The contention that the rate of interest granted is excessive cannot be accepted, particularly when the Sugarcane (Control) Order, 1966 itself prescribes the said rate of interest for delayed payment.

32. Accordingly, the present writ petitions stands dismissed.

33. Pending miscellaneous applications, if any, shall stand disposed of.

34. Photocopy of this order be placed on the files of other connected cases.

(HARSIMRAN SINGH SETHI)
JUDGE

06-03-2026
Sapna Goyal

(VIKAS SURI)
JUDGE

NOTE: Whether speaking/reasoned: YES
Whether reportable: NO