



103

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

**CWP-1433-1999 (O&M)**

**Date of decision: 12.08.2025**

**T.S. Saini and others**

**... Petitioners**

**Vs.**

**State of Punjab and another**

**... Respondents**

**CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

Present: Mr. G.S.Bal, Sr. Advocate with  
Mr. Laxman Choudhary, Advocate  
for the petitioners.

Mr. Vikas Arora, DAG, Punjab.

Mr. Rahul Aggarwal, Advocate for  
Mr. Rahul Sharma, Advocate  
for respondent No.2.

\*\*\*\*\*

**HARPREET SINGH BRAR, J. (ORAL)**

1. Present civil writ petition has been filed under Articles 226/227 of the Constitution of India for issuance of a writ in the nature of *mandamus* directing respondent No.1 to absorb the petitioners in any other Department/Board/Corporation/Company of the Punjab Government on the same terms and conditions, on which the persons junior as well as seniors to



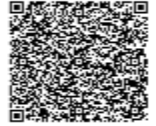
them were absorbed on equivalent posts, commensurate to the posts held by the petitioners under respondent No.2 and further to direct respondent No.2 to withdraw the Golden Hand Shake Scheme and to adjust them in Government Departments/Boards/Corporations etc. with continuity of service as per interim order dated 09.03.1999.

2. Learned senior counsel for the petitioners, *inter alia*, contends that the petitioners were employees of respondent No.2 (*erstwhile Punjab State Leather Development Corporation*). They joined respondent No.2-Corporation on various dates as mentioned in Annexure P-1 and on account of their satisfactory conduct, they earned promotion. Respondent No.1-Department of Industries, Govt. of Punjab, vide letter dated 20.04.1992 (Annexure P-2), issued a policy, vide which certain categories of persons were made eligible for benefits under the policy for employment in Class III and Class IV. One of the category of aforesaid policy entitles the employees, who were declared surplus on account of abolition of any post either in the Government Department or any Public Sector Undertaking of the State Government, for being absorbed. Since respondent No.2-Corporation was suffering losses from its inception, a decision was taken to wind up the Corporation on 13.06.1992 in phased manner. Resultantly, different entities under respondent No.2-Corporation were closed down. On 22.02.1993, after receiving the order (Annexure P-4) from the Government of Punjab,



respondent No.2-Corporation started process of winding up in phased manner and the persons, who fulfilled the educational qualifications for their absorption in other Government Departments and Public Sector Undertakings of the State Government, were asked to submit their consent with regard to Golden Hand Shake Scheme. The said benefit was offered to those employees, who had completed at least 05 years of service. Detail of similarly situated employees of respondent No.2-Corporation, who were adjusted in other Departments, is available on record as Annexures P-9 & P-10 and list of employees, who were adjusted after 13.03.1995, is attached with the present petition as Annexure P-11. The comparative data detailing the seniority number and dates, on which the juniors were adjusted in other Government Departments, Boards and Corporations, are given. Further, similarly situated employees of respondent No.2-Corporation approached this Court by filing CWP-17454-1995, which was allowed vide order dated 20.07.1998 (Annexure P-15). Hence, the petitioners filed the instant writ petition.

3. On 09.03.1999, CM-1560-1999 filed by the petitioners was disposed of, wherein it was observed that in case the petitioners were asked to accept the Golden Hand Shake Scheme and they received the compensation, that would be without prejudice to their rights in the aforesaid writ petition i.e. CWP-17454-1995, meaning thereby, if the said writ petition is allowed, absorption of the petitioners in the Government Departments will be in

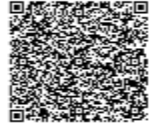


continuity of service, as if there was no break in service.

4. *Per contra*, learned counsel for respondent No.2-Corporation submits that the petitioners have attained the age of superannuation, as such, at this stage, there is no question of absorbing them on equivalent posts in other Government Departments and they have already received compensation for retrenchment under Golden Hand Shake Scheme. Further, policy of the State Government contained in the letter dated 20.04.1992 (Annexure P-2) was amended on 13.03.1995, as discernible from Annexure P-5, which was made applicable only to the employees of the Government Departments. As such, employees of the Boards and Corporations are not entitled to the benefit of the policy contained in the letter dated 20.04.1992 (Annexure P-2) with regard to their claim of absorption.

5. Learned State counsel further submits that case of the petitioners cannot be considered in the light of judgment dated 20.07.1998 passed by this Court in CWP-17454-1995 titled as Avtar Singh and others Vs. State of Punjab and others (Annexure P-15), as the employees-petitioners therein were already retrenched, however, the present petitioners continued to be in service till they accepted the benefit of Golden Hand Shake Scheme.

6. In rebuttal, learned senior counsel for the petitioners submits that admittedly, decision to wind up was already taken and majority of the employees stood retrenched. The petitioners were retained in service on



administrative grounds to assist in the process of winding up.

7. Having heard learned counsel for the parties at length and after careful perusal of record of the case with their able assistance, it transpires that primary grievance of the petitioners in the present writ petition is that the employees of respondent No.2-Corporation, who were retrenched, had been absorbed on equivalent posts in other Government Departments and Public Sector Undertakings in terms of the policy contained in the letter dated 20.04.1992 (Annexure P-2). Admittedly, out of 209 retrenched employees, except 17, all had been adjusted.

8. The argument raised by learned counsel for respondent No.2-Corporation with regard to amendment of the policy contained in the letter dated 20.04.1992 (Annexure P-2) in the year 1995 has already been dealt with by the Coordinate Bench of this Court in the judgment dated 20.07.1998 (Annexure P-15). The operative part of the said judgment reads as under: -

*“I have heard counsel for the parties and, in my opinion, the petition deserves to succeed. It is not in dispute that out of twenty two petitioners who initially filed the petition sixteen of them have since been absorbed by the state Government in different departments some of whom were junior to the petitioners in the service of the Corporation. This is clear from the chart prepared by the petitioners which is Annexure P-12 with the petition the correctness of which has not been challenged. The petitioners was declared surplus in the year 1992 and the policy of the State Government as contained in letter dated 20.4.1992 was operative*



*at that time. As per this policy the State Government had decided to offer employment on priority basis to these employees who had been declared surplus on account of the closure of a public sector undertaking. No doubt the policy was amended in March, 1995, but at the time of the retrenchment of the petitioners the unamended policy was in force which was applicable to the petitioners. The Corporation is admitted by a State Undertaking and when other employees like the petitioner have been absorbed, there is no reason why the petitioners should have been left out.”*

9. In view of the above discussion, there is no doubt that at the time of retrenchment of the petitioners, policy contained in the letter dated 20.04.1992 (Annexure P-2) was operative. As such, rightful claim of the petitioners cannot be denied by amending the policy contained in the letter dated 20.04.1992 (Annexure P-2) in the year 1995, as their case would be covered under the policy of the year 1992 (Annexure P-2), when the decision of retrenchment was taken.

10. Accordingly, present petition is allowed. Respondent No.1-Government of Punjab is directed to give notional benefits of the policy contained in the letter dated 20.04.1992 (Annexure P-2) to the petitioners at par with their respective juniors in respondent No.2-Corporation.

11. Further, the amount given as compensation for retrenchment under the Golden Hand Shake Scheme is ordered to be adjusted towards the benefits accrued to the petitioners in terms of the policy contained in the letter



dated 20.04.1992 (Annexure P-2).

12. As undertaken on behalf of the petitioners, they would not claim any interest on the delayed payment.

13. Similarly, State Government would not claim interest on the amount released in favour of the petitioners under the Golden Hand Shake Scheme.

14. Needful be done within a period of three months from the date of receipt of certified copy of this order.

15. With the aforesaid observations made and directions issued, present writ petition stands disposed of with no order as to costs.

16. All the pending miscellaneous application(s), if any, shall stand disposed of.

12.08.2025  
*vishnu*

**[ HARPREET SINGH BRAR ]**  
**JUDGE**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No