

(2026) 01 JH CK 1909
In the Jharkhand High Court
Case No : Writ Petition (L) No. 3774 Of 2010

Mosabani Mines Labour Union

APPELLANT

Vs

Hindustan Copper Limited, through its Chairman cum
Managing Director

RESPONDENT

Date of Decision : 27-01-2026

Acts Referred:

Constitution of India, 1950 — Article 14

Citation : (2026) 01 JH CK 1909

Hon'ble Judges : Deepak Roshan, J

Bench : Single Bench

Advocate : V.P.Singh, Bandana Kumari Sinha, Ragini Kumari, Amit Kumar Das,
Sankalp Goswami, P.K. Pathak

Final Decision : Dismissed

Judgement

Deepak Roshan, J

1. Heard learned counsel for the parties.
2. The petitioner being a Trade Union has filed the instant writ petition seeking grant of arrears of voluntary retirement which has occurred on account of subsequent revision of pay scale along with interest.
3. Case of the Petitioner

The specific case of the Petitioner-Union is that it is a registered Trade Union affiliated with Indian Trade Union Congress having 1200 members and HCL from time to time on the basis of tripartite settlement has been fixing and revising the wages of the workman. The 5th Wage Revision fell due with effect from 01.11.1997; however, in the meantime, Hindustan Copper Limited sought permission from the Central Government to close the mines and a permission for closure of different mines was given in the following manner:-

- (i) 30.09.1998-Permission for closure of Banalopa and Bedia Mines was granted.

(ii) 2002 - Permission for closure of Rakha Mine was granted.

(iii) 31.01.2001 - Permission for closure of Pathargora and Kenduadih mines was granted.

(iv) 16.06.2003-Permission for closure of Surda Mines was granted.

(v) 16.06.2003 - Permission for closure of Mosabani mines was granted.

4. In the permission so granted, the Central Government incorporated one condition which mandated the Management to ensure payment of statutory dues and VRS benefits as per approved norms before retrenchment of the workmen. The Petitioner-Union, thereafter relied upon on a Circular dated 20.02.1995 wherein the Management informed all concerned employees who have retired or will be retiring under Company's Voluntary Retirement Scheme would be entitled to wage revision/pay revision as and when the same is finalized (Annexure 4).

It is an admitted case of the petitioner that all its members took voluntary retirement before the year 2003 and after they got separated under the Voluntary Retirement Scheme, the Company's Wage Settlement took place on 19.04.2006 which covered the period 01.11.1997 to 30.10.2007 and on the basis of the afore-referred Circular dated 20.02.1995, the petitioner claimed that all its members who had separated under the Voluntary Retirement Scheme are entitled to the benefit of wage revision.

The petitioner in support of their claim has brought on record by way of Annexure-5, the Approved Wage Settlement. Bare perusal of Clause (viii) of the same would show that as per the agreed wage settlement, no decision for payment of arrears for the period 01.11.1997 to 31.07.2004 had been taken and the actual monetary benefits of the wage revision for the period 01.08.2004 to 31.03.2006 would be paid with effect from 1st of August 2006.

5. Case of the Respondents

The Respondents have contended that the employees separating under a Voluntary Retirement Scheme constitute a separate class in themselves. The employees who had opted for voluntary retirement; admittedly have received all benefits payable under the scheme and it is not open for them to claim the benefits of a pay revision which has taken place subsequent to their separation, though with a retrospective date.

7. The other objection which the respondents have raised is that the individual workmen, who had opted for voluntary retirement who were 414 in number, had raised a separate industrial dispute being Reference Case No.13 of 2017 claiming the benefit of pay revision after having separated under the Voluntary Retirement Scheme. Initially, the Award was passed in favour of the workmen on 28.09.2022 which was assailed by the Management of HCL in W.P. (L) No. 406 of 2023 and this Court vide its judgment dated 11th March 2025 quashed and set aside the Award and remanded the matter back. While relying on the said judgment, the

contention of the respondents is that once the individual workmen who are also the members of the Petitioner-Union have already raised an industrial dispute, it's not open for the Petitioner-Union to claim similar benefit by filing a separate writ application.

8. The respondents had relied upon a judgment of this Court passed in W.P. (L) No. 7240 of 2019 dated 13.10.2020; wherein this Court relying on the several judgments have held as under:-

"13. Be that as it may, having gone through the rival submission of the parties, this Court is of the considered view that admittedly the order passed by the Labour Court is perverse and de hors the Rules for the following reasons:-

i. it is a settled principles of law that voluntary retirement scheme speaks of a package. One either takes it or rejects it. While opting for the same, presumably the employee takes into consideration the future implication also. The employees who opted for voluntary retirement, make a planning for the future.

ii. At the time of giving option, they know where they stand. At that point of time they did not anticipate that they would get any benefit of revision of scales of pay and therefore cannot claim the subsequent benefits of pay revision, which has been given a retrospective effect.

iii. There is no dispute with respect to the facts whether an employee opting for voluntary retirement can subsequently claim the benefits of pay revision in lieu of implementation of NCWA-VI. An employee retiring under voluntary retirement scheme cannot claim benefits of revision of pay scale implemented subsequent to his separation."

9. The Respondents have also relied the judgment rendered in the case of H.E.C. Voluntary Retd. Employees Welfare Society & Anr. Versus Heavy Engineering Corporation Ltd., reported in (2006) 3 SCC 708

10. Having regard to the aforesaid facts and circumstances and after hearing Ld. Counsel for the rival parties this Court is of the considered opinion that so far as the Circular dated 20.02.1995, whereby the Management informed all the employees who have retired or will be retiring under the Company's Voluntary Retirement Scheme that they would get the benefits of wage revision is concerned; same has no application in the instant case, inasmuch as, the said Circular gives reference to the then voluntary retirement in vogue and at the time when the said Circular was issued. Neither anybody contemplated that there would be a new voluntary retirement scheme after 2002; nor the said Circular can be made applicable to a subsequent Voluntary Retirement Scheme. The said Circular was confined to the Voluntary Retirement Scheme in force in the year 1995 when the said Circular was issued and cannot be made applicable to any subsequent voluntary retirement scheme.

11. In the case of H.E.C. Voluntary Retd. Employees Welfare Society & Anr. (Supra), the Hon'ble Apex Court has held that Voluntary Retirement Scheme is a

package and anyone can accept it or reject it. Relevant paragraphs 18, 19, 20, 21 and 22 are quoted hereinbelow;

"18. The Voluntary Retirement Scheme speaks of a package. One either takes it or rejects it. While offering to opt for the same, presumably the employee takes into consideration the future implication also.

"19. It is not in dispute that the effect of such Voluntary Retirement Scheme is cessation of jural relationship between the employer and the employee. Once an employee opts to retire voluntarily, in terms of the contract he cannot raise a claim for a higher salary unless by reason of a statute he becomes entitled thereto. He may also become entitled thereto even if a policy in that behalf is formulated by the Company.

"20. We have indicated hereinbefore that before floating such a scheme both the employer as also the employee take into account the financial implications in relation thereto. When an invitation to offer is floated by reason of such a scheme, the employer must have carried out exercises as regards the financial implication thereof. If a large number of employees opt therefor, having regard to the financial constraints, an employer may not accept offers of a number of employees and may confine the same to only a section of optees. Similarly when an employer accepts the recommendations of a Pay Revision Committee, having regard to the financial implications thereof it may accept or reject the whole or a part of it. The question of inclusion of employees who form a special class by themselves, would, thus, depend upon the object and purport thereof. The appellants herein do not fall either in clause 3.2 or 3.3 expressly. They would be treated to be included in clause 3.2, provided they are considered on a par with superannuated employees. They would be excluded if they are treated to be discharged employees.

12. Further, in the case of Manoj Bhai N. Shah & Ors., Versus Union of India & Ors., reported in (2015) 4 SCC 482, similar views have been reiterated by the Hon'ble Apex Court. For brevity, the relevant paras are extracted hereinbelow:

31. In the instant case, it is crystal clear that the employees had already opted under the Scheme-under a specially made scheme, which was framed only with an intention to reduce future expenditure of the employers. If all these benefits are given to the persons who had already opted under the Scheme and had retired, the real purpose with which the Scheme had been framed would be frustrated.

32. We do not agree with the submission made on behalf of the employees that action of the employers in not giving pay rise to the employees in pursuance of the notification is discriminatory in nature. The employees who retired under the Scheme form a separate class of employees who were given many benefits, which are not given to the employees retiring in normal course. If they all form a separate class, by no stretch of imagination can it be said that all those who retired under the Scheme and those who retired in normal course, are similarly

situated. Thus, in our opinion, there is no violation of Article 14 of the Constitution of India in the instant case.

33. Similarly, there is no violation of the principle of equal pay for equal work. True, that those who retired under the Scheme did the same work which was being done by those who retired in normal course, but one cannot forget the fact that those who retired under the Scheme got substantially higher retirement benefits. In the circumstances, we do not accept the said submission also.

13. In the instant case also, it is evident that Circular gives reference to the then voluntary retirement scheme in vogue and at the time when the said Circular was issued. All the employees had already opted under the Scheme-under a specially made scheme, which was framed only with an intention to reduce future expenditure of the employers. If all these benefits are given to the persons who had already opted under the Scheme and had retired, the real purpose with which the Scheme had been framed would be frustrated.

14. The issue in hand was also deliberated by the Hon'ble Apex Court in the case of Maharashtra State Financial Corporation Ex-Employees Association & ors. Versus State of Maharashtra & Ors. reported in (2023) 11 SCC 186; wherein the Hon'ble Supreme Court has held as under:

40. However, in the opinion of this Court, employees who secured VRS benefits and left the service of MSFC voluntarily during this period, stand on a different footing. They cannot claim parity with those who worked continuously, discharged their functions, and thereafter superannuated. VRS employees chose to opt and leave the service of the Corporation; they found the VRS offer beneficial to them. Apart from the normal terminal benefits they were entitled to, the additional amount each of them was given-was an ex gratia amount, equal to a month's salary for each completed year of service. Other retired employees were never given such amounts. This has been emphasised in A.K. Bindal v. Union of India [A.K. Bindal v. Union of India, (2003) 5 SCC 163 : 2003 SCC (L&S) 620] : (SCC pp. 186-87, paras 33-34)

"33. The Voluntary Retirement Scheme (VRS) which is sometimes called Voluntary Separation Scheme (VSS) is introduced by companies and industrial establishments in order to reduce the surplus staff and to bring in financial efficiency. The office memorandum dated 5-5-2000 issued by the Government of India provided that for sick and unviable units, the VRS package of the Department of Heavy Industry will be adopted. Under this Scheme an employee is entitled to an ex gratia payment equivalent to 45 days' emoluments (pay + DA) for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before the normal date of retirement, whichever is less. This is in addition to terminal benefits. The Government was conscious about the fact that the pay scales of some of the PSUs had not been revised with effect from 1-1-1992 and therefore it has provided adequate compensation in that regard in the second VRS which was

announced for all Central public sector undertakings on 6-11-2001. Clause (a) of the Scheme reads as under:

(a) Ex gratia payment in respect of employees on pay scales at 1-1-1987 and 1-1-1992 levels, computed on their existing pay scales in accordance with the extant Scheme, shall be increased by 100% and 50% respectively.

34. This shows that a considerable amount is to be paid to an employee ex gratia besides the terminal benefits in case he opts for voluntary retirement under the Scheme and his option is accepted. The amount is paid not for doing any work or rendering any service. It is paid in lieu of the employee himself leaving the services of the company or the industrial establishment and foregoing all his claims or rights in the same. It is a package deal of give and take. That is why in the business world it is known as "golden handshake". The main purpose of paying this amount is to bring about a complete cessation of the jural relationship between the employer and the employee. After the amount is paid and the employee ceases to be under the employment of the company or the undertaking, he leaves with all his rights and there is no question of his again agitating for any kind of his past rights with his erstwhile employer including making any claim with regard to enhancement of pay scale for an earlier period. If the employee is still permitted to raise a grievance regarding enhancement of pay scale from a retrospective date, even after he has opted for Voluntary Retirement Scheme and has accepted the amount paid to him, the whole purpose of introducing the Scheme would be totally frustrated."

41. For the above reasons, it is held that VRS employees cannot claim parity with others who retired upon achieving the age of superannuation. Likewise, those who ceased to be in employment, for the reason of termination, or their dismissal, etc. would not be entitled to the benefit of pay revision.

42. In view of the above findings, the impugned judgment and order [Maharashtra State Financial Corpn. Ex-Employees Assn. v. State of Maharashtra, 2018 SCC OnLine Bom 21341] is hereby set aside. The appeal is accordingly allowed, to the extent that those who retired from the services of MSFC between 1-1-2006 to 29-3-2010, and the legal heirs/representatives of those who died during that period, shall be entitled to arrears based on pay revision, accepted by the Corporation. The Corporation is directed to pay interest @ 8% p.a. on these arrears from 1-4-2010 till the date of this judgment. These amounts shall be calculated and disbursed to those individuals within eight weeks from today. The appeal is partly allowed, in the above terms. There shall be no order on costs.

Emphasis Supplied

15. Having regard to the above discussions and in view of the settled principle of law as has been reiterated in the catena of decisions referred to hereinabove, the members of the petitioner-Union who have retired under a Voluntary Retirement Scheme constitutes a separate class in themselves and who have availed the benefit of the Voluntary Retirement Scheme consciously and, therefore, cannot

subsequently claim benefits of a pay revision which took place subsequent to their separation; more so when there was no such assurance given in the Voluntary Retirement Scheme under which they have got separated and in such circumstances, the writ application being wholly misconceived, devoid of any merit and hence, liable to be dismissed.

16. Accordingly, the instant writ application stands dismissed. Pending I.A.s, if any, also stands disposed of.