

GAHC040015182025

2026:GAU-AP:522



THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/427/2025

Kuldeep Raj
Son of Late Roop Ram Sharma, permanent resident of F 203, Aditya Doonshire
Apartment, Sai Lok-2, GMS Road, Dehradun 248001 Uttarakhand, presently posted
at Etalin Hydro Electric Project, Village Azuli, Etalin Maliney Road, Etalin Circle,
PO and PS Anini, Dibang Valley District, Arunachal Pradesh 792101

VERSUS

The Union of India and 8 Ors
represented by the Secretary to the Ministry of Power, Govt of India, Shram Shakti
Bhawan, Rafi Marg, New Delhi 01

2:The State of AP
Age: 0
Occupation :
represented by the Chief Secretary
Govt of Arunachal Pradesh
Civil Secretariat
Itanagar 791111

3:The Secretary
Age: 0
Occupation :
Department of Power
Govt of Arunachal Pradesh
Civil Secretariat
Itanagar 791111

4:SJVN Limited
Age: 0
Occupation :
through its Chairman cum Managing Director

Corporate Headquarters Shakti Sadan
Shanan
Shimla
Himachal Pradesh 171006

5:The Chairman cum Managing Director
Age: 0
Occupation :
SJVN Limited
Corporate Headquarters Shakti Sadan
Shanan
Shimla
Himachal Pradesh 171006

6:The General Manager (HR)
Age: 0
Occupation :
Human Resource Department
Shakti Sadan
Shanan
Shimla
Himachal Pradesh 171006

7:The Director (Personnel)
Age: 0
Occupation :
SJVN Limited
Corporate Headquarters
Shakti Sadan
Shanan
Shimla
Himachal Pradesh 171006

8:The Director (Project)
Age: 0
Occupation :
SJVN Limited
Corporate Headquarters Shakti Sadan
Shanan
Shimla
Himachal Pradesh 171006

9:The Director (Finance)
Age: 0
Occupation :
SJVN Limited
Corporate Headquarters Shakti Sadan
Shanan

Shimla
Himachal Pradesh 17100

Advocate for the Petitioner : Mustafa Maniruzzaman, Parimal Deka,S Medhi

Advocate for the Respondent : Marto Kato, Duge Soki,SC(Power),Lissing Perme,GA (AP),DSGI

:::BEFORE:::

HON'BLE MR. JUSTICE KARDAK ETE

Date on which judgment is reserved : N/A

Date of pronouncement of judgment : 25.05.2026

Whether the pronouncement is of
the operative of the judgment? : No

Whether the full judgment has been
pronounced? : Yes

JUDGMENT (ORAL)

Heard Ms. S. Medhi, learned counsel for the petitioner. Also heard Ms. P. Sangeeta, learned State Counsel for respondent No. 2, Mr. L. Perme, learned counsel for the respondent No. 3, and Mr. D. Soki, learned counsel for the respondent Nos. 4 to 9. None appears for the respondent No. 1/Union of India despite service of notice.

2. By filing this writ petition, the petitioner has put to challenge the Office Order dated 11.07.2025, issued by the General Manager (HR), whereby as many

as 10 (ten) employees of SJVN Limited, including the petitioner, have been reverted to their original grade/level, the petitioner being in the grade of DGM with effect from 29.05.2025 pursuant to CHRC No. 950/2025, dated 01.07.2025, and the consequential withdrawal of CHRC No. 886/2023, dated 12.10.2023, which had provided special incentives to the employees posted in the State of Arunachal Pradesh and other Northeastern States. The petitioner has also prayed for a declaration that CHRC No. 950/2025, dated 01.07.2025, shall not operate retrospectively and to protect the petitioner of his benefits already conferred upon him under the earlier Circular dated 12.10.2023.

3. The petitioner is serving in SJVN Limited, respondent No. 4 herein, and was holding the post of General Manager (HR) at Etalin Hydro Electric Project in Arunachal Pradesh. On being entrusted with the development and execution of several large hydro-electric projects in the State of Arunachal Pradesh and considering the extreme remote and difficult terrain, poor connectivity, inadequate infrastructure and harsh climatic conditions prevailing in the region, the respondent Company framed scheme for special incentives for deployment of employees in Arunachal Pradesh and other Northeastern States. Employees willing to serve in the State of Arunachal Pradesh were called upon to intimate their willingness vide Circular dated 31.08.2023. Pursuant thereto, the petitioner was transferred to Etalin Hydro Electric Project, Arunachal Pradesh, vide order dated 29.09.2023, and several other employees of different ranks were also transferred to various hydro power projects in Arunachal Pradesh.

4. Vide Corporate HR Circular No. 886/2023, dated 12.10.2023, the respondent Company introduced a "Scheme of Special Incentive for Employees posted in Arunachal Pradesh and Assam". The said Scheme was formulated keeping in view the fact that the projects being executed in Arunachal Pradesh

are situated in extremely difficult terrain and regions lacking basic infrastructure and amenities, coupled with complex issues relating to security and distinct cultural and linguistic conditions. In order to encourage employees to work in such projects and to keep them motivated, the scheme provided special incentives including special promotion to the next higher grade immediately upon assumption of duty at Arunachal Pradesh project sites such as Etalin HEP, Attunli HEP, Emin HEP, Amulin HEP and Mihundon HEP etc. The scheme further clarified that upon assumption of charge, the concerned employee would be entitled to exercise all powers, avail all financial benefits and receive promotional increment at all levels with full entitlements of the promoted post and that such promotion would remain protected notwithstanding subsequent vacancy constraints. Accordingly, the petitioner exercised his option and was promoted from DGM(HR)/E7 to AGM(HR)/E8(c) and thereafter to GM(HR)/E8(a) with all consequential benefits vide order dated 17.01.2024 with effect from 12.12.2023. The petitioner accordingly joined at Etalin Hydro Electric Project and assumed charge as GM(HR)/E8(a).

5. Thereafter, by Corporate HR Circular No. 950/2025, dated 01.07.2025, the Scheme of Special Incentives for employees posted in Arunachal Pradesh and Assam notified vide CHRC No. 886/2023, dated 12.10.2023, as amended from time to time, came to be withdrawn with effect from 29.05.2025. Consequent thereto, the impugned Office Order dated 11.07.2025 has been issued by the General Manager (HR), SJVN Limited, Human Resource Department, by which the petitioner, along with 9 (nine) others, have been placed back to their original grade/level. Accordingly, the petitioner has been reverted to the post of DGM(HR)/E7 with effect from 29.05.2025.

6. Ms. S. Medhi, learned counsel for the petitioner, submits that the

respondent Company had introduced an incentive policy providing promotion to the next higher grade for employees willing to undertake assignments in the State of Arunachal and other Northeastern States. Several employees, including the petitioner, volunteered for such projects relying upon the explicit promise of career advancement. Accordingly, the petitioner was elevated to the post of GM(HR)/E8(a) vide order dated 17.01.2024. However, subsequently, the respondent Company withdrew the said policy and introduced a new policy providing only monetary benefits and consequently, issued the impugned Office Order dated 11.07.2025 placing the petitioner back to the post of DGM(HR)/E7 with effect from 29.05.2025.

7. Learned counsel for the petitioner submits that the action of reverting the petitioner to the post of DGM(HR)/E7, after granting him promotion to the post of GM(HR)/E8(a), is legally untenable and contrary to the settled principles of promissory estoppel and legitimate expectation, inasmuch as the respondent Company's earlier policy constituted a clear and unequivocal promise. Acting upon such promise, employees including the petitioner altered their position by volunteering for difficult assignments and relocating themselves to remote project sites in the Northeastern States. But the sudden withdrawal of CHRC 886/2023, dated 12.10.2023, and the issuance of the subsequent Circular, namely, Corporate HR Circular No. 950/2023, dated 01.07.2025, could not have been given effect to as it caused prejudice to the employees, including the petitioner, who had already acquired rights and benefits under the earlier policy. Therefore, the impugned Office Order dated 11.07.2026 amounts to demotion without any justifiable reason and frustrates the legitimate expectation that was already created by the earlier policy dated 12.10.2023. She submits that the new policy, which merely provides monetary benefits, nowhere specify reversion

or withdrawal of the benefits already accrued under the previous policy and therefore, such unilateral withdrawal of accrued benefits is legally unsustainable. Hence, it is prayed that the impugned Office Order dated 11.07.2025 placing the petitioner as DGM(HR)/E7 with effect from 29.05.2025 be set aside and the petitioner be permitted to continue as GM(HR)/E8(a) with all consequential benefits in terms of the earlier policy.

8. In support of her submission, Ms. Medhi, learned counsel for the petitioner, has placed reliance upon the case of **Motilal Padampat Sugar Milla Co. Ltd. Vs. State of Uttar Pradesh & Ors.**, reported in **(1978) 12 SCC 409**, to project that the action of the respondent Company in withdrawing the benefit without a saving clause of the existing beneficiaries is clear prejudice of its promise. The employees, having been promoted pursuant to a company's policy for a specific project, had a legitimate expectation that their promoted status would continue, particularly since they had already fulfilled the conditions stipulated under the policy. Therefore, the sudden withdrawal of the benefit without any provision to protect those already covered under the earlier policy violates the doctrine of legitimate expectation.

9. Ms. Medhi, learned counsel, has further relied the case of **Nirmal Chandra Bhattacharjee & Ors. Vs. Union of India & Ors.**, reported in **1991 Supp2 SCC 363**, to project that any subsequent rule or policy should not operate to the prejudice of employees who were already in service and had acquired benefits under the earlier regime.

10. Mr. D. Soki, learned counsel for the respondent Nos. 4 to 9, submits that the Circular No. 886/2023, dated 12.10.2023, was merely a scheme of special incentive for employees posted in Arunachal Pradesh & Assam providing special

promotion to next higher grade for employees posted in Arunachal Pradesh Project sites, namely, Etalin HEP, Attunli HEP, Emini HEP, Amulin HEP and Mishumdon HEP etc. The scheme, *inter alia*, provided that employees would be granted special promotion to the next higher grade immediately upon assumption of duty in Arunachal Pradesh projects and that such employees would exercise and avail status, financial powers, benefits including promotional increments at all levels and entitlements of the promoted post. It also provided that the DPC of such employee would be conducted as per the promotion policy with reference to the post/grade held by the employee prior to posting in Arunachal Pradesh projects and if recommended for promotion, the employee would be granted notional promotion with corresponding notional pay fixation and seniority.

11. Thereafter, upon objection being raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Energy), New Delhi, vide communication dated 07.01.2025, issued by the Senior Audit Officer, on the ground that the grant of special promotion/increment to employees posted at project sites in Arunachal Pradesh and Assam was in violation of DPE guidelines and resulted in excess expenditure, the respondent Company withdrew the earlier policy vide Corporate HR Circular No. 950/2025 dated 01.07.2025 with effect from 29.05.2025. Consequent upon the withdrawal of the earlier policy, all employees who had been granted such special incentive, including the petitioner, were restored to their original substantive posts. The petitioner, whose substantive post was DGM(HR)/E7, was accordingly reverted to the said post.

12. He submits that the earlier policy itself contemplated that the policy of

special incentive would operate only during the period of posting in Arunachal Pradesh and Assam and upon transfer of the employee to other locations, the employee would revert to his original post. The regular promotion of the employees under the respondent Company is regulated by the Promotion Policy of Executives, which requires constitution of DPC for promotion from one pay scale/designation to the next higher scale/designation. Since the earlier policy dated 12.10.2023 has been withdrawn pursuant to the audit objection and the petitioner has also been transferred out from Arunachal Pradesh, the impugned action placing the petitioner back to his original post does not suffer from any illegality. He submits that all consequential and financial benefits availed by the petitioner during the period of special incentive have been protected and whenever regular promotions are considered, the petitioner's case shall be governed by the applicable promotion policy. Therefore, he submits that the writ petition is devoid of merit and liable to be dismissed.

13. I have considered the submissions of learned counsel for the parties and also perused the materials available on record.

14. The respondent Company, through its Corporate HR Division, vide Corporate HR Circular No. 886/2023, dated 12.10.2023, framed a "Scheme for Special Incentive for Employees posted in Arunachal Pradesh and Assam" after being entrusted with the execution of Hydro Power Projects, particularly, in the State of Arunachal Pradesh. The scheme was framed taking into consideration that the projects are situated in extremely difficult terrain and regions lacking basic infrastructure and amenities, coupled with complex issues relating to security and distinct cultural and linguistic conditions. In order to encourage

employees to serve in Arunachal Pradesh and to keep them motivated, the Board of Directors, in its meeting held on 23.09.2023, has approved the said scheme. The relevant portion of the scheme is reproduced herein below:

"Scheme of Special incentive for employees posted in Arunachal Pradesh & Assam

1. *Philosophy and objective*

Memorandum of Agreement has been signed between SJVN Limited and Govt of Arunachal Pradesh for executing 5 Hydro Power Projects of 5097 MW in the state. Out of these, few projects are expected to come under construction in next FY, and therefore a large number of employees will be placed in these projects in near future. Presently, at Arunachal Pradesh locations, in addition to the pay & perks, North East allowance @ 10% of basic pay is being paid in line with DPE guidelines. These projects are located in very difficult terrain and region, lacking basic infrastructure and amenities, with complex issues relating to security with distinct cultural and linguistic environment. Accordingly, to encourage employees to work in Arunachal Pradesh & Assam and to keep them motivated it is imperative that the employees posted at these locations get additional incentives.

2. *Scope & Coverage*

a) The scheme will be applicable to all employees on the regular rolls of SJVN posted in Arunachal Pradesh & Assam.

b) The scheme will be applicable to all levels i.e. Executive, Supervisor and Workmen.

3. *Incentive for posting in Arunachal Pradesh & Assam:*

A. Special Promotion to next higher grade for employees posted in Arunachal Pradesh Project sites namely, Etalin HEP, Attunli HEP, Emini HEP, Amulin HEP and Mihumdon HEP, etc.

a) The employees will be given special promotion to next higher grade immediately on assumption of duty in Arunachal Projects.

b) Employee will exercise and avail status, financial powers, benefits (including promotional increment at all levels along with E8(b) &E8(a)) and entitlements of the promoted post.

c) On assumption of charge in the next higher grade, vacancy in SJVN will be recalibrated and in case of vacancy constraint, junior most employee of that higher grade will be reverted to previous grade and the pay will be protected. On subsequent elevation of the employee to same higher grade on vacancy availability, Promotional increment shall not be extended.

d) i) DPC of such employee will be conducted as per promotion policy with reference to the post/grade employee was holding prior to posting in Arunachal Projects and if recommended for promotion, employee will be given notional promotion.

ii) Notional pay fixation and seniority as per notional Promotion/Grade shall be maintained.

iii) On notional promotion, employee will be given special promotion to next higher grade while posting in Arunachal projects.

e) ED level executives on posting shall be given one increment on the date of assumption of charge and concurrently notional pay fixation shall be maintained.

f) On retirement at Arunachal Pradesh Project, superannuation benefits will be extended of promoted post/pay drawn, subject to completion of minimum 2 years tenure.

g) On transfer of employee to other SJVN locations the Grade/Pay Scale,

seniority and the Pay Fixation shall be placed back to the notional Grade/Pay Fixation/Seniority.

B. Special increment to employees working in Itanagar, Tinsukia, Roing or any location in Arunachal Pradesh other than project sites.

One increment will be given in the existing grade. Notional pay fixation in SJVN shall be maintained, which shall become effective on transfer out of the above locations.

4. CMD will be the Competent Authority for interpretation & modification/amendment/relaxation in the scheme."

15. A careful reading of the aforesaid scheme reveals that the same provided for special promotion to the next higher grade for employees posted in Arunachal Pradesh project sites such as Etalin HEP, Attunli HEP, Emin HEP, Amulin HEP and Mihundon HEP. The scheme provided that employees would be granted special promotion to the next higher grade immediately upon assumption of duty in Arunachal Pradesh projects and such employees would exercise and avail status, financial powers, benefits including promotional increments at all levels and entitlements of the promoted post. At the same time, the scheme also specifically stipulated that the DPC of such employees would be conducted as per the promotion policy with reference to the post/grade held by the employee prior to posting in Arunachal Pradesh projects and, if recommended for promotion, the employee would be granted notional promotion with corresponding notional pay fixation and seniority.

16. Pursuant to the said policy, the petitioner, along with two others, vide Office Order dated 17.01.2024, was designated as GM(HR)/E8(a) at Etalin HEP with a stipulation that the service conditions on such elevation would be

governed by the provisions contained in CHRC No. 886/2023 dated 12.10.2023. Subsequently, by Corporate HR Circular No. 950/2025 dated 01.07.2025, the said Circular being CHRC No. 886/2023 dated 12.10.2023, as amended from time to time, was withdrawn with effect from 29.05.2025. Consequent thereto, the petitioner along with 9 (nine) others were reverted to their original grade/level and the petitioner was accordingly placed in his original grade/level as DGM(HR)/E7. The said withdrawal of the earlier policy providing special incentive for employees posted in Arunachal Pradesh and Assam was on account of the objection raised by the Indian Audit & Accounts Department, vide communication dated 07.01.2025. It is also not in dispute that by now the petitioner has already been transferred out from the Etalin HEP Project.

17. On perusal of the scheme vide CHRC No. 886/2023, dated 12.10.2023, it reflects that the said scheme was framed with the objective of encouraging employees to serve at remote and difficult project locations in the Northeastern States and to keep them motivated. The object of the scheme was to ensure a sustainable and focused approach towards execution of projects of national and strategic importance by employees posted at distant and remote project locations. The scheme granted special promotion to the next higher grade immediately upon assumption of duty in Arunachal Pradesh projects, enabling such employees to exercise and avail status, financial powers, benefits and entitlements attached to the promoted post. However, the scheme simultaneously made it clear that the regular promotion of employees would continue to be governed by the applicable promotion policy of the Company and the DPC of such employees would be conducted with reference to the post/grade held by them prior to posting in Arunachal Pradesh projects. It further provided that on transfer of the employee to other SJVN locations, the

grade/pay scale, seniority and pay fixation would be restored to the notional grade/pay fixation/seniority.

18. It is also noticed that the Corporate HR Circular No. 950/2025 dated 01.07.2025 withdrawing the earlier scheme was issued on the basis of objection raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Energy), New Delhi, vide communication dated 07.01.2025, on the ground that the grant of special promotion/increments to employees posted at project sites in Arunachal Pradesh and Assam was in violation of DPE guidelines and had resulted in excess expenditure, which, in the considered opinion of this Court, appears to be reasonable as it cannot be said that once a scheme granting special incentive is framed, the same cannot thereafter be modified or withdrawn, particularly when the employer has acted upon audit objection and financial consideration pertaining to the interest of the Company.

19. It has also been brought on record by the respondent authorities that the Company is presently under a process of winding up. Furthermore, the respondents have specifically stated that all benefits, including financial benefits, availed by the petitioner during the period he served on the elevated post at Etalin HEP, shall remain protected. It has further been stated that regular promotions would continue to be governed by the Promotion Policy of the Company and, if recommended by the DPC, employees would be granted notional promotion with corresponding notional pay fixation and seniority. In such circumstances, particularly when the petitioner has already been transferred out from the Etalin HEP Project and the benefits accrued to him during the period of his posting at the said project have been protected, this Court is unable to hold that any prejudice has been caused to the petitioner warranting interference in exercise of writ jurisdiction.

20. This Court has also carefully considered the decisions relied upon by the learned counsel for the petitioner and is of the view that the same are distinguishable on facts and are not applicable to the present case.

21. The case of **Motilal Padampat Sugar Milla Co. Ltd.** (supra) pertains to the doctrine of promissory estoppel and the extent to which the State is bound by a promise held out by it. In the said case, the Hon'ble Supreme Court held that where the Government makes a promise knowing or intending that it would be acted upon and the promisee, acting in reliance thereon, alters his position, the Government may be bound by such promise. However, the Hon'ble Supreme Court also observed that the doctrine of promissory estoppel, being an equitable doctrine, must yield where overriding public interest so requires.

22. In the present case, the scheme itself contemplated that the special promotion and attendant benefits were linked to the period of posting in Arunachal Pradesh projects and on transfer of the employee to other SJVN locations, the employee would revert to the notional grade/pay fixation/seniority. Moreover, the earlier scheme came to be withdrawn on the basis of audit objections regarding violation of DPE guidelines and financial implications. The benefits already accrued to the petitioner during the relevant period have also been protected. Thus, the facts and circumstances of the present case do not justify invocation of the doctrine of promissory estoppel.

23. Similarly, the decision in **Nirmal Chandra Bhattacharjee** (supra) arose in an entirely different factual context concerning promotions from Class IV to Ticket Collector posts under the Railway administration and the effect of restructuring of posts upon promotional opportunities. The Hon'ble Supreme Court in the said case was dealing with a situation where employees were

deprived of their promotional avenues on account of restructuring over which they had no control.

24. The factual matrix of the present case stands on an entirely different footing. Here, the petitioner was granted the benefit of special incentive in terms of a specific scheme applicable to employees posted in Arunachal Pradesh projects. The scheme itself contemplated restoration of the employee to the original grade/pay fixation upon transfer from such projects. The petitioner has also not been deprived of the benefits accrued during the relevant period. Consequently, the ratio laid down in the aforesaid decision does not advance the case of the petitioner.

25. Coming to the facts of the present case, admittedly, the petitioner was elevated to the post of GM(HR)/E8(a) with all consequential benefits in terms of the Scheme of Special Incentive dated 12.10.2023. Subsequently, the said scheme, namely, CHRC No. 886/2023 dated 12.10.2023, came to be withdrawn pursuant to objection raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Energy), New Delhi, vide communication dated 07.01.2025, on the ground that grant of special promotion/increments to employees posted at project sites in Arunachal Pradesh and Assam was contrary to DPE guidelines and resulted in excess expenditure. Consequent thereto, the petitioner along with other similarly situated employees were restored to their original posts and the petitioner was accordingly placed back to his original grade/level as DGM(HR)/E7 with effect from 29.05.2025 vide Office Order dated 11.07.2025.

26. The petitioner having already been transferred out from the Etalin HEP Project, Arunachal Pradesh, and the scheme for special incentive having itself

contemplated restoration to the original grade/pay fixation upon transfer, this Court finds no illegality in the action of the respondent authorities. More so, the benefits accrued to the petitioner during the period he served as GM(HR)/E8(a) have been protected and the regular promotion of employees continues to be governed by the applicable promotion policy requiring consideration by the DPC. Thus, this Court is of the considered view that no prejudice has been caused to the petitioner so as to warrant interference by invoking the doctrines of legitimate expectation or promissory estoppel.

27. In view of what has been discussed herein above, this Court does not find any infirmity in Corporate HR Circular No. 950/2025 dated 01.07.2025 or in the consequential Office Order dated 11.07.2025 issued by the General Manager (HR), SJVN Limited and as such, the same do not warrant interference by of Court. Accordingly, the writ petition stands dismissed being devoid of merit,

28. Writ petition stands disposed of in terms above.

JUDGE

Comparing Assistant