

SH. RABINDRANATH MUKHOPADHYAY AND ANR.

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v.

COAL INDIA LTD. AND ANR.

FEBRUARY 28, 1997

[K. RAMASWAMY AND SUJATA V. MANOHAR, JJ.]

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Service Law :

L.T.C.—Option to encash the facility to be effective from a specified date—Executives of company given option either to avail L.T.C. by actual travelling or to encash the facility w.e.f. 1.1.1997 without production of certificate of actual travel—Fixing the date as 1.1.1997 challenged to be discriminatory against the employees who would retire before the said date—Held, it being a policy decision uniformly applicable to all employees of that class, there is no arbitrariness in fixation of the date.

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CIVIL APPELLATE JURISDICTION : Special Leave Petition (C)
No. 3655 of 1997.

From the Judgment and Order dated 15.1.97 of the Madhya Pradesh High Court in L.P.A. No. 255 of 1996.

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In-person for the Petitioner No. 1.

The following Order of the Court was delivered :

This special leave petition arises from the judgment of the Division Bench of the Madhya Pradesh High Court, made on January 15, 1997 in LPA No. 255/96. The first respondent had evolved the LTC Rules for its executive cadre employees and the same were last revised on May 15, 1989. Thereunder Clause 1(b)(ii) postulates that :

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"Once in a block of 4 calender years commencing from the 1st January, 1976 the executive cadre employees will be entitled to the concession under these rules for journeys to any place in India. This concession will, however, be in lieu of LTC entitlement of that year to travel to home town and back. This facility of availing LTC for journeys to any place in India once in 4 years will also be available to employees whose home towns are either the same or

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A very close to their places of posting and so are not entitled to LTC for home town.

B The employees and/or members of the family may avail of LTC facilities for travel to the same place or to different places of their choice in respect of the facility available to visit any place in India in a block of 4 years."

C Subsequently, by the Resolution No. 159 dated September 14, 1996, the respondent had given option in respect of the benefit of the LTC, to the Executives of the company or its subsidiary companies without production of certificate, as detailed hereunder :

"The executives would have the option to choose any one of the following alternatives w.e.f. 01.01.1997.

D (a) The existing facilities of LTC i.e. the executive with entitled family members may visit any place of India by entitled class of journey once in a Block of Four years.

OR

E (b) Encash the facility of LTC subject to the limit of Railway fare in the entitled class upto 1700 K.M. each way for the employee and entitled family members.

(ii) The one time option has to be exercised before 31.12.1996.

F (iii) Taxes as applicable has to be paid by the executives.

This will take effect on and from 01.01.1997."

G Consequently, the facility of LTC for travelling to home town was also extended to travelling any place in India as per the above resolution dated September 14, 1996. Instead of production of the certificate of the actual travel, the Executive have also been given an option either to avail of the facility or encash the LTC facility, subject to the limit of Railway fare of the entitled class upto a maximum distance of 1700 k.ms. each way for the employee and entitled family members. But the above decision has been given effect to from January 1, 1997. The petitioner appearing in H person has contended in the High Court as well as before us that the

fixation of the date is arbitrary. We find no force in the contention. It is seen that the aforesaid Resolution communicated by proceedings dated October 10, 1996, postulates an employee who is entitled to avail of the facility of LTC, instead of executive class, has been given two options, viz., of actual performance of the travel once in a block of four years which would be normal one and a salutory policy to enable the employee to broaden his vision of thought and action, and to encash the same, instead of actually travelling, which is an exception and proof of production of the travel certificate and the expenses incurred therefor has been dispensed with. It being a policy decision taken by the respondent-Management, the policy was given effect to from January 1, 1997, obviously the beginning of the calender year. It is uniformly applicable to all employees of that class. Under those circumstances, we do not think that there is any arbitrariness in fixation of the date.

It is then contended that by fixing the date as 1.1.1997, discrimination has been meted out between all the classes of the employees who retired before and those who would retire subsequent to 1.1.1997. It may be fortuitous stand for the employees who would be retiring on or before 31st December, 1996 without availment of the encashment of LTC but nonetheless he has not been denied the facility of the actual travel by virtue of the alternative option given. The option is only of encashment and imposed no prohibition on the travel. It is then contended that the four years' block starting from 1.1.1996 would be postponed by fixing the four years block in the present proceedings and an employee would be deprived of an availment of the two benefits. We find no force in this contention too. They have not shifted the commencement of the block year, for availment purpose and it remains in operation as originally started. It is only a specification that once in a block of four years, the availment of the LTC or encashment of LTC would be available. It does not have the effect of the shifting of the running of the block period. Under these circumstances, we do not find any illegality in the decision of the High Court warranting interference.

The special leave petition is dismissed.

R.P.

Petition dismissed.