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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Date of Decision : March 13, 2015

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LPA 808/2014

M.L.KARIR Appellant

Represented by: Appellant in person

versus

THE NATIONAL SMALL INDUSTRIES
CORPORATION LIMITED Respondents

Represented by: Mr.Digvijay Rai, Advocate

CORAM:

HON'BLE MR. JUSTICE PRADEEP NANDRAJOG

HON'BLE MS. JUSTICE PRATIBHA RANI

PARDEEP NANDRAJOG, J.

1. It may be a hard case but no relief can be granted to the appellant.
2. Vide impugned decision dated September 26, 2014, WP(C)No.3053/2011 filed by the appellant has been dismissed by the learned Single Judge holding that the appellant is not entitled to any reimbursement concerning medical treatment availed of by his wife.
3. The appellant was an employee of the respondent, which is a corporation owned and controlled by the Central Government. Its employees do not have the status of a Government servant.
4. Joining service of the respondent in January, 1961, the appellant was entitled to medical benefits made available under the Central Government Health Scheme. The respondent could not make contribution to the fund through which the Central Government Health Scheme was

funded or probably for the reason its employees were interested in reimbursement of medical claims by availing treatment anywhere, in the year 1980 the medical benefits under the Central Government Health Scheme were withdrawn and in place was introduced a direct reimbursement of medical expenses to the employees; but only for those who were in service.

5. Appellant sought and was granted voluntary retirement on June 12, 1989.

6. A need was felt, probably under pressure from the Union of the respondent, to introduce some kind of a medical benefit scheme to the ex-employees. Only Oriental Insurance Company came forward but with a condition. It was prepared to extend medical insurance coverage to the employees of the respondent who had retired from service on or after April 01, 1992. The reason can be easily fathomed. The insurance company was not willing to take risk for the old ex-employees.

7. Thus, on February 15, 1994 a medical benefit scheme was introduced. It was actually a group insurance scheme under which Oriental Insurance Company Limited extended coverage up to a particular limit. The respondent decided to contribute 85% of the premium, requiring 15% to be paid by the ex-employee.

8. Thus, medical insurance coverage was extended to the ex-employees on payment of a premium; 15% whereof had to be paid by the employee but only those employees who had retired on or after April 01, 1992.

9. Appellant's wife underwent an open bye-pass heart surgery in February, 2005. The appellant spent ₹1,56,500/- from his pocket and claimed reimbursement from the respondent. The claim was rejected.

10. The rejection of the claim has been upheld by the learned Single Judge.

11. The learned Single Judge has held that the respondent was not obliged to reimburse any medical expense incurred by superannuated employees and this would be the first reason to deny the claim. Secondly, when the medical scheme was introduced for retired employees for the first time in the year 1994, the cut-off date was prescribed as April 01, 1992 rationality whereof has not been challenged. Lastly, the learned Single Judge has held that the post-retirement contributory scheme having cut off date even otherwise would not be arbitrary in view of the law declared by the Supreme Court in the decision reported as (2008) 14 SCC 702 Government of A.P. Vs. N.Subbarayudu & Ors..

12. The three reasons given by the learned Single Judge are sound and we may add a few more. Depending upon its funds, the respondent would be justified in extending a socio-economic benefit to its employees as also ex-employees. It is not the case of the appellant that when he joined service it was upon the condition that post-retirement he and his wife would be entitled to medical benefits. Thus, it is not a case where medical benefits which were granted to ex-employees were taken away. Medical benefits were available to the employees of the respondent firstly under the CGHS scheme and thereafter under the policy of the respondent for direct reimbursement but only as long as the employer-employee relationship existed. Post-retirement nobody was entitled to any medical reimbursement benefit.

13. When the respondent desired to put into place a medical reimbursement policy for its ex-employees only one insurance company : Oriental Insurance Company came forward and agreed to extend medical

insurance coverage to those employees who had retired on or after April 01, 1992. If the insurance company was not willing to extend medical insurance coverage to employees who had retired on or prior to March 31, 1992, the respondent cannot be faulted. The other reason would be that the medical insurance benefit coverage envisages a premium to be paid, 15% whereof has to be contributed by the ex-employee. The appellant never questioned the medical benefit policy obtained by the respondent from the Oriental Insurance Company having the cut off date April 01, 1992. When the beneficial policy was introduced in the year 1994 the appellant never claimed to be made a member thereof. If he had a grievance to the cut off date of April 01, 1992 he could have availed judicial remedies. He never did so. It was only after his wife suffered the cardiac problem that upon spending ₹1,56,500/-, the appellant started claiming a right to be made a beneficiary of the medical insurance policy taken by the respondent.

14. Thus, we dismiss the appeal but without any order as to costs.

(PARDEEP NANDRAJOG)
JUDGE

(PRATIBHA RANI)
JUDGE

MARCH 13, 2015

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