

IN THE HIGH COURT AT CALCUTTA
Constitutional Writ Jurisdiction
APPELLATE SIDE

Present:

The Hon'ble Justice Shampa Dutt (Paul)

WPA 27637 of 2025

Eastern Coalfields Limited
Vs
Union of India & Ors.

For the Petitioner : Mr. Manik Das.

For the Union of India : Mr. S. N. Dutta.

Judgement reserved on : 25.06.2026

Judgment delivered on : 10.07.2026

Shampa Dutt (Paul), J.:

1. The writ application has been preferred challenging an award dated 23rd May, 2025 passed in Reference Case No. 13 of 2011 by the Learned Central Government Industrial Tribunal-cum-Labour Court, Asansol.
2. Vide the impugned award, the learned Tribunal has been pleased to hold as follows:-

*“In this context, it may be pointed out that rights and liabilities of employees working under ECL flows from the decision taken in the Joint Bipartite agreement between the representative of management and the union. **In the clause 8.1.1 of chapter VIII in NCWA,***

it is provided that HRA would be paid to the employees who have not been provided with any residential accommodation. Clause 8.1.3 lays down that House Rent Allowance to the employees in urban areas shall be paid as per Government notification/clarification as provided in earlier agreements and shall be applicable from 01.01.2009 on revised basic. **In the present case, the workman after allotment of quarters in his favour surrendered the same.** The circular issued by the management on 28.06.2006 amounts to recession and alteration of the terms of the previous agreement for the Coal Industry (JBCCI), which is contrary to the terms laid down in such bipartite agreement. The decision taken by the management and reflected in their circular is a unilateral decision and cannot be said to have any binding force on the employees unless such terms are introduced as a result of a collective decision of union representative as well as management.”

3. Finally, the learned Tribunal was pleased to direct as follows:-

“Hence,

ORDERED

The Industrial Dispute is allowed on contest in favour of Dipak Karmakar, the aggrieved workman. The

management of Bejdih Colliery, Sodepur Area, ECL is directed to pay House Rent Allowance to the workman from 01.03.2007 till his superannuation. The arrears of House Rent Allowance shall be paid within three months from communication of the Award. Let an Award be drawn up on the basis of my above findings. Let copies of the Award in duplicate be sent to the Ministry of Labour, Government of India, New Delhi for information and Notification.”

4. The petitioner’s case is that the petitioner herein is a colliery mining company and is a subsidiary of Coal India Limited and the private respondent no.5 was employed as a mechanical fitter.
5. The specific case of the petitioner is that **Clause 8.1.1 of both the NCWA - VII and the NCWA - VIII suggest that a non-executive employee in the coal mining sectors will not be eligible for HRA if he/she has been provided with residential accommodation by the employer.** Clause 8.1.2 further supports and clarifies the provision contained in Clause 8.1.1 thereby clearly establishing that once a **residential accommodation is allotted to or provided with, the non-executive employee concerned will not be eligible for any HRA.**
6. It is further stated that the respondent No. 5 was allotted a quarter being Quarter No. NHS/36/359 (hereinafter referred to as the "said quarter") situated at Ranisayar within the precincts of the Bejdih Colliery under the Sodepur Area of ECL where the respondent No. 5 was working at the relevant point of time.

7. In the year 2010, the respondent No. 5, claiming HRA for the period after his surrendering of the Quarter, raised a purported industrial dispute through the respondent No. 4 before the conciliatory machinery of the Government of India whereupon conciliation proceedings were initiated.
8. Such conciliation having been failed, the Government of India, Ministry of Labour, the respondent No. 1 herein, by the order No. L-22012/75/2011-IR(CM-II) dated 11-07-2011 referred the purported dispute for adjudication by the Central Government Industrial Tribunal cum Labour Court, Asansol (hereinafter referred to as the "CGIT") under section 10 of the Industrial Disputes Act, 1947 for adjudicating the following issue: **“Whether the action of the management of Bejdih Colliery of M/s ECL in discontinuation of HRA to Shri Dipak Karmakar, Mech. Fitter is legal and justified? To what relief the workman concerned is entitled to?”**
9. After adjudication in the Reference Case being 13 of 2011, the learned Tribunal held as noted above.
10. Hence, the writ application was filed being aggrieved with the said award principally on the ground that the learned Tribunal while making the impugned Award, failed to consider the provision contained in Clause 8.1.2 of the NCWA and while making the impugned Award, failed to appreciate that entitlement to HRA occurs only when the employer fails to provide the employee with a residential accommodation and not when the employee, after being provided with a residential accommodation by the employer, vacates or surrenders such accommodation.

11. In course of hearing the petitioner has filed written notes wherein the petitioner has reiterated his case, as made out in the writ application and has, thus, prayed for setting aside of the impugned order on the ground that the same is not in accordance with law.
12. National Coal wage agreement-VII, provides clause:-

“8.1.0 HOUSE RENT ALLOWANCE

8.1.1 The existing House Rent Allowance of Rs.75/- per month will be increased to Rs.100/-per month with effect from 1.7.2004 and will be paid to those employees who have not been provided with residential accommodation.

8.1.2 Payment of House Rent Allowance will be regulated as indicated below:

*(a) Employees **excepting** those who have been allotted the following types of house individually will be eligible for House Rent Allowance at the rate of Rs.100/- per month.*

(i) Any pucca house consisting of one or more rooms with common or separate latrine and bath.

(ii) House under New Housing Scheme, Low Cost Housing Scheme or single room, arch type tenements with latrine and bath.

(b) If a double roomed house has been allotted to two workmen, both the allottees shall be entitled to 50% of house rent allowance each i.e., Rs.50/- per month per head.

(c) If single roomed house is allotted to more than one person or if a double roomed house is allotted to more than two persons, all

the allottees shall be eligible for House Rent Allowance at the rate of Rs.100/- per month.

(d) Employees who have been allotted a seat in the barracks or mess or hostel shall be eligible for House Rent Allowance at the rate of Rs. 100/- per month.

(e) Where husband and wife both happen to be employees and where any one of them is allotted the same house of the type referred to in Clause (a) above, they shall not be entitled to House Rent Allowance.

(f) Employees who have been allotted single room or Arch type tenement however will be entitled to House Rent Allowance if the house is not provided with separate or common latrine/bathroom.”

13. National Coal Wage agreement VIII provides:-

“8.1.0 HOUSE RENT ALLOWANCE

8.1.1 The existing House Rent Allowance of Rs.100/- per month will be increased to Rs.150/-per month with effect from 1.1.2009 and will be paid to those employees who have not been provided with residential accommodation.

8.1.2 Payment of House Rent Allowance will be regulated as indicated below:

(a) Employees excepting those who have been allotted the following types of house individually will be eligible for House Rent Allowance at the rate of Rs.150/- per month.

(i) Any pucca house consisting of one or more rooms with common or separate latrine and bath.

(ii) House under New Housing Scheme, Low Cost Housing Scheme or single room, arch type tenements with latrine and bath.

14. Vide an officer order dated 28.06.2006, it was clarified by the Dy. Chief Personnel Manager (Estd./MP) to the General Manager of the Sodepur/Sripur/Satgram Areas as follows:-

“.....the employees working in the Establishment/Offices situated & failing under Kulti & Jamuria Municipalities which are the constituents of Asansol Urban Area classified as "C" class cities shall be entitled to get House Rent Allowance as per NCWA-VII on the following terms & conditions.

- 1. That the employees who are living in the company's accommodation shall not be granted/sanctioned House Rent allowance even in the event of vacating of company's accommodation.*
- 2. That the employees essential/statutory categories shall not be allowed to stay outside the colliery premises. CGM/GM in charge of Area/Establishments should ensure providing company accommodation within the considerable distance of the Mine/Establishments for such category of employees.*
- 3. That the CGM/GM should also ensure to allot all vacant quarters to the eligible as per House Allotment norms. Furthermore, the employees who have been allotted quarters and not be shifted are not entitled House Rent allowance.....”*

15. The schedule to the order of reference dated 11.07.2011 is:-

“THE SCHEDULE

"Whether the action of the management of Bejdih Colliery of M/s. ECL in discontinuation of HRA to Shri Dipak Karmakar, Mech. Fitter is legal and justified? To what relief the workman concerned is entitled to? "

16. The tribunal has examined whether discontinuation of House Rent Allowance to Dipak Karmakar is justified and whether the workman is entitled to any relief.

17. On the facts as admitted:-

- i. That the workman was allotted Qtr No. NHS/36/359 and as such was not paid any HRA.
- ii. Subsequently he surrendered the quarters and claimed HRA on the ground that there is no settlement between the union and management regarding stoppage of House Rent Allowance to the employees on vacating their quarters.
- iii. The management/petitioner herein have stated that a notification relating to payment of House Rent Allowance to non-executive @ 10% of basic pay has been circulated by letter No. ECL/CMD/C-6/WBE-1/498 dated 28.06.2006 with certain guidelines which clearly laid down that in the event of vacation of standard quarters by the employees concerned, they will not be entitled to House Rent Allowance. Such circular was issued with the due consideration of the provisions of NCWA-VII and for proper utilization of a large number of company's quarters and further to discourage vacating of allotted quarters by the employees for getting 10% House Rent Allowance. That no employee of BMP Group has been granted 10% House Rent Allowance after vacating their standard quarter.

18. The tribunal finally on its findings held:-

“9. Clause 8.1.3 of NCWA-VII provides that House Rent Allowance shall be paid to the employees in urban areas as per Government notification/clarification on the subject as followed in the previous agreement and other related issues would be discussed and decided in the standardization committee. The provisions clearly disclose that payment of House Rent Allowance to an employee of the company is his basic right. He is entitled to exercise his right if the management in any manner withholds the payment of House Rent Allowance without arriving at any understanding or agreement affecting such right. In this context, it may be pointed out that rights and liabilities of employees working under ECL flows from the decision taken in the Joint Bipartite agreement between the representative of management and the union. In the clause 8.1.1 of chapter VIII in NCWA, it is provided that HRA would be paid to the employees who have not been provided with any residential accommodation. Clause 8.1.3 lays down that House Rent Allowance to the employees in urban areas shall be paid as per Government notification/clarification as provided in earlier agreements and shall be applicable from 01.01.2009 on revised basic. In the present case, the workman after allotment of quarters in his favour surrendered the same. The circular issued by the management on 28.06.2006 amounts to recession and alteration of the terms of the previous agreement for the Coal Industry (JBCCI), which is contrary to the terms laid down in such bipartite agreement. The decision taken by the management and reflected in their circular is a unilateral decision and cannot be said to have any binding force on the employees unless such terms are introduced as a result of a collective decision of union representative as well as management.”

- 19.** The tribunal has taken into consideration the memorandum of settlement at page 47 to the writ application with another **similarly placed** employee, who as per the said settlement was granted relief as follows:-

“TERMS OF PAYMENT OF HRA

1. *The employee will not make any claim for payment of arrears in lieu of HRA in respect of past service at Bejdih Colliery till 05.12.2014.*
2. *Claim for payment of HRA made by the workman at ECL HQ's will be considered from the date of issuance of Office Order and no arrears will be claimed by him. The employee will be paid HRA till he is allotted a quarter at ECL HQ's.*
3. *The payment of HRA will be governed as per the Company's Rule applicable to the other employees of ECL, HQ, the decision of the management from time to time in this regard will be binding on the employee.*
4. *The dispute thus stands wholly settled & binding on both the parties. No party will raise this issue in any forum in any manner in future.”*

- 20.** The said employee was to be paid HRA till he was allotted a quarter. The settlement was given effect on 05.07.2016, the date of the said memorandum was signed.
- 21.** It appears that the said settlement in substance was considered to be a fresh application for allotment of a quarter by the employee.
- 22.** In ***the Divisional Engineer, G.I.P. Railway vs Mahadeo Raghoo & Anr., 1955 AIR 295, decided on 2nd March, 1955***, the Supreme Court held:-

“.....Rule 3(i) of the Statutory Rules framed by the Government and put into effect on 1st November 1947 runs as follows:

"The house rent allowance will not be admissible to those who occupy accommodation provided by Government or those to whom accommodation has been offered by Government but who have refused"

Held, *that the house rent allowance is admissible only so long as an employee is stationed at one of the specified places and has not been offered Government quarters. The rules distinctly provide that the allowance will not be admissible to those who occupy Government quarters or those to whom such quarters have been offered but who have refused to take advantage of the offer. Once an employee of the description given above has been offered suitable house accommodation and he has refused it, he ceases to be entitled to the house rent allowance and that allowance ceases to be "wages" within the meaning of the definition in s. 2(vi) of the Act because it is no more payable under the terms of the contract.*

The grant of house rent allowance does not create an indefeasible right in the employee at all places wherever he may be posted and in all circumstances, irrespective of whether or not he has been offered Government quarters."

23. The principles and guidelines as laid down by the Hon'ble Supreme Court in very clear. In cases of entitlement of house rent allowances, the following rules/laws are applicable:-

- a)** House rent allowance is admissible only so long as an employee is stationed at one of the specified places and has not been offered Government quarters.

- b) The allowance will not be admissible to those who occupy Government quarters or those to whom such quarters have been offered but who have refused to take advantage of the offer.
 - c) Once an employee of the description given above has been offered suitable house accommodation and he has refused it, **he ceases to be entitled to the house rent allowance** and that allowance ceases to be "wages" within the meaning of the definition in s. 2(vi) of the Act **because it is no more payable under the terms of the contract.**
 - d) The grant of house rent allowance **does not create an indefeasible right** in the employee at all places wherever he may be posted and in all circumstances, irrespective of whether or not he has been offered Government quarters.
- 24.** Thus considering all these facts, more so the memorandum of settlement dated 05.07.2016 in respect of a similarly placed employee, the impugned award dated 23rd May, 2025 passed by the learned Central Government Industrial Tribunal-cum-Labour Court, Asansol is hereby quashed and set aside.
- 25.** The writ application is disposed of with the direction that the petitioner shall allot a quarter in favour of the worker, if he has not superannuated, at the earliest, treating the date for application/prayer for fresh allotment of a quarter as 10.07.2026.
- 26.** The workman shall not be entitled to any arrears of HRA as claimed, but will be paid HRA on and from this date till he is allotted a quarter (not in case he has superannuated).

- 27.** The payment of HRA will be governed as per the Company's Rule applicable to the other employees of ECL, HQ, the decision of the management from time to time in this regard will be binding on the employee.
- 28. WPA 27637 of 2025 is disposed of.**
- 29.** Connected application, if any, stands disposed of.
- 30.** Interim order, if any, stands vacated.
- 31.** Urgent Photostat certified copy of this judgment, if applied for, be supplied to the parties expeditiously after due compliance.

(Shampa Dutt (Paul), J.)