

1969

Present: Alles, J.

THE GROUP SUPERINTENDENT, DALMA GROUP,  
HALGRANOYA *et al.*, Appellants, and THE CEYLON ESTATES  
STAFFS' UNION, Respondent

*S. C. 71/68—Labour Tribunal/9/1127*

*Labour Tribunal—Lawful termination of workman's services—Order that employer should pay compensation for workman's loss of career—Invalidity.*

Where the termination of a workman's services is neither unlawful nor contrary to the accepted standards of labour practice, a Labour Tribunal has no power to order the employer to pay, *ex gratia*, a sum of money as compensation for the workman's loss of career.

**A**PPEAL from an order of a Labour Tribunal.

*H. W. Jayewardene, Q.C.*, with *A. M. Coomaraswamy* and *Mark Fernando*, for the employer-appellants.

*S. S. Rajaratnam*, for the applicant-respondent.

June 8, 1969. ALLES, J.—

The applicant union, on behalf of one L. R. Perera who was employed as Factory Officer on Glendevon Estate, Halgranoya, applied to the Labour Tribunal for reinstatement and back wages on the ground that Perera's services were terminated from 31st May 1967 without valid reason.

The respondent, who was the Group Superintendent of Delmar Group and the Anglo-Ceylon and General Estates Limited, in their answer stated that the services of Perera were terminated with effect from the said date, after due notice, in view of the closing of the factory at Glendevon. It is not disputed that the factory on Glendevon Estate had to be closed as an economy measure in order to meet the increasing expenditure on production and as a result of the amalgamation between Glendevon Estate and the adjoining Delmar Group, a number of employes in Glendevon Estate became redundant.

All the other officers except Perera found employment on Delmar Group. Perera himself was offered the post of Senior Assistant Factory Officer at Delmar Group which carried a higher salary than what he was drawing at Glendevon Estate, but Perera refused to accept the offer on the ground that he would have to work under a junior officer. It was not possible for the Estate to offer the Senior Officer's post to Perera because he was not familiar with the type of manufacture known as "Rotovane" which was used at Delmar Group.

At the time of his retrenchment, Perera was 53 years old and was drawing a salary of Rs. 477.60. He had a period of 16 years service as Senior Factory Officer on Glendevon Estate.

The learned President of the Labour Tribunal has held that the termination of services of the applicant worker has been made for bone fide reasons and that the management was entitled to take measures for cutting down expenditure. He has also held that the respondent Company made a very reasonable offer of alternative employment, which the applicant refused purely on a question of prestige. After holding that the termination of employment was lawful, the President states "that he thinks some consideration was due to the applicant in view of his enforced retirement" and made order that the respondents pay *ex gratia*, a sum of Rs. 4,000 as compensation for loss of career.

I am unable to ascertain on what ground the President had granted compensation to Perera. Compensation is payable only when a wrong has been done. In this case no wrong has been done. On the contrary, Perera has been offered very favourable terms of employment with a higher wage, which he chose to discard on the ground of prestige. If prestige has to be reckoned as a factor to be taken into consideration in dealing with employer-employee relations, it is not unlikely that the efficient functioning of any industry will be affected, even to the extent of damaging the economy of the country. It is not possible to state in this instance that the termination of the applicant's services was either unlawful or contrary to the accepted standards of fair labour practice.

In the circumstances, I set aside the order of the President directing that the respondents pay a sum of Rs. 4,000 as an *ex gratia* payment as compensation for loss of career. The appeal is allowed with costs.

*Appeal allowed.*