

Municipal Committee, Abohar

Vs

Regional Commissioner, E.S.I. Corpn. and Another

Civil Appeal No. 3508 of 1996

(K. Ramaswamy, G. B. Pattanaik JJ)

02.02.1996

ORDER

1. Leave granted.

2. This appeal by special leave arises from the order of the High Court of Punjab and Haryana dated 5-10-1993 in FAO No. 589 of 1993 dismissing the appeal as usual in limine. The admitted facts are that the appellant-Municipal Committee has been running waterworks known as Patel Water Works. The employees working in the Waterworks Department are now sought to be covered under the provisions of the Employees' State Insurance Act, 1948 (for short "the Act"). When notice was issued to the appellant, they objected to the coverage of employees under the Act. Therefore, an order has been passed under Section 45-A of the Act. Challenging thereto, an appeal was filed under Section 75 of the Act. The Insurance Court has confirmed that the employees are covered under the Act. Accordingly, when challenged, the High Court in the first appeal dismissed the same. Thus this appeal by special leave.

3. The question is whether the employees of the Municipal Corporation are also covered under the Act ? The employees of the Corporation are governed by the statutory rules made under the Act and in some cases in other States the benefits of the government scales of pay etc. have been extended. However, the fact remains that they are provided with the health scheme and are also eligible to medical facilities and reimbursement of the amounts spent by the employees concerned. Under these circumstances, the coverage of employees under the Act is per se illegal.

4. The appeal is accordingly allowed. No costs.