

SUPREME COURT OF INDIA

Secretary Padippu K.S.Sangam Limited

Vs.

C.Varghese

C.A.No.1497 of 2007

(Dr.Ar.Lakshmanan and Altamas Kabir,JJ.,)

20.03.2007

JUDGMENT

Dr.Ar.Lakshmanan, J.,

SLP (C) No.7380 of 2006)

1. Delay condoned.
2. Leave granted.
3. Heard Mr.T.L.V.Iyer, learned senior counsel for the appellant and Dr.K.P.Kylasanatha Pillai, learned counsel for the respondent.
4. This appeal has been filed against the judgment and order dt.24.02.2006 passed by the High Court of Kerala in Writ Appeal No.1578 of 2004.
5. The only question arises for our consideration in this appeal is whether the appellant-society is engaged in 'dairy farming'.
6. The appellant is a co-operative Society registered under the Kerala Co-operative Societies Act, 1969 and engaged in the collection of milk from its members and distribution thereof. The respondent herein is a milk user in the appellant-society whose work, according to the appellant, is mainly between 6.30 a.m. and 8.30 a.m. on all days. As per the settlement arrived at before the District Labour Officer Kasergod on September 20, 1990, the respondent was being paid a consolidated pay of Rs.350/- per month from April 1, 1990. The Assistant Labour Officer, Kasergod also informed the appellant on 25.03.1998 that the milk producing in co-operative Societies had not been included under the Minimum Wages Act by any Notification and that there was no orders fixing minimum wages for employees of such society.
7. In the meanwhile, the respondent filed an application before the Deputy Labour

Commissioner claiming payment of minimum wages under the Minimum Wages Act for the period 01.01.1993 to 31.12.1994 as if the said Act was applicable to co-operative Societies engaged in mere purchase of milk from members and distribution thereof. The application was allowed despite appellant's contest. The appellant challenged the decision before the High Court in writ proceedings contending that the employment in the Society was not a scheduled employment under the Act and, therefore, the second respondent was not competent to pass such an order for payment of minimum wages under the Act.

8. The learned Single Judge of the Kerala High Court accepted the contention and after a detailed reasoning held that the Act was not applicable to the employment in question which applied, inter alia, only to 'dairy farming'. This judgment has, however, been reversed by the Division Bench of the High Court with a view that even distribution of milk by a Society like the appellant will attract the provisions of the Act.

9. We have heard extensive arguments advanced by the learned senior counsel for the appellant and learned counsel for the respondent- workman. In our view, the impact of the order passed by the Division Bench on the appellant is very serious. Admittedly, the first respondent was employed only as a milk tester. It is also not in dispute that the appellant-society is engaged in purchasing milk from its members and distributing it. It is also not in dispute that the appellant-society does not own cattle milch and they buy milk for the purpose of production of milk and 'dairy farming'. The contention of Dr.K.P.Kylasanatha Pillai, learned counsel for the respondent, is that the sale of milk does form part of the process of the production of milk which constitute 'dairy farming'. We are unable to countenance the said submission because it is only a part of the process of distribution of milk. In our view, the mere activity of buying milk from its members and distributing it will not constitute 'dairy farming' when there is no rearing of milch cows and no agriculture or farming activity is carried on by the Society. The High Court, in our opinion, ought to have held that the appellant-society which merely collects milk from its members and distributes is not engaged in any employment scheduled under the Act. This apart, the respondent's claim that it falls within the purview of 'dairy farming' in Schedule II cannot also be accepted and we are unable to accept the submission made by the learned counsel for the respondent and the reasoning given by the Division Bench of the High Court. We are, therefore, set aside the order passed by the High Court and allow the appeal filed by the appellant-society.

10. During the pendency of the proceedings, the respondent was paid some salary including minimum wages. We make it clear that the amount which has already been paid shall not be recovered from the respondent. The appeal stands allowed accordingly.

11. No costs.