

MUNICIPAL COMMITTEE, ABOHAR  
v.  
REGIONAL COMMISSIONER, E.S.I. CORPN. AND ANR.

FEBRUARY 2, 1996

[K. RAMASWAMY AND G.B. PATTANAIK, JJ.]

*Labour laws :*

*Employee's State Insurance Act, 1948 :*

*S.45-A—Employees of Municipal Corporation—Working in water works department—Provided with health scheme—Eligible to medical facilities and reimbursement of amounts spent—Therefore coverage of the employees under the Act is per se illegal.*

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 3508 of 1996.

From the Judgment and Order dated 5.10.93 of the Punjab & Haryana High Court in F.A.O. No. 589 of 1993.

P.N. Puri for the Appellant.

V.K. Mehta for the Respondents.

The following Order of the Court was delivered :

Leave granted.

This appeal by special leave arises from the order of the High Court of Punjab and Haryana dated 5.10.1993 in F.A.O. No. 589/93 dismissing the appeal as usual *in limine*. The admitted facts are that the appellant-Municipal Committee has been running water works known as Patel Water Works. The employees working in the Water 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,

- A when challenged, the high Court in the first appeal dismissed the same. Thus this appeal by special leave.

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 Govt. scales of pay etc. have been extended. However, the fact remains that they are provided with the health scheme and also eligible to medical facilities and reimbursement of the amounts spent by the concerned employees. Under these circumstances, the coverage of employees under the Act *per se* illegal.

- C The appeal is accordingly allowed. No costs.

G.N.

Appeal allowed.