(1974) 08 MAD CK 0042

In the Madras High Court

Hemalatha Textiles Limited — APPELLANT

Vs

Employees' State Insurance Corporation — RESPONDENT

Date of Decision : 09-08-1974

Acts Referred:
Employees State Insurance Act, 1948 — Section 1, 2, 75

Citation : (1975) 1 LLJ 497

Hon'ble Judges : Varadarajan, J

Bench : Single Bench

Judgement

Varadarajan, J.—The petitioner in E. I. O. P. No. 3 of 1971, on the file of the Employees State Insurance Court, Madras, (City Civil Court), is the appellant. The petition was filed u/s 75 of the Employees'' State Insurance Act, 1948, for a declaration that the employees of the appellant in its head office at Madras are not employees within the meaning of the Act. The appellant Hemalatha Textiles Limited is a company registered under the Indian Companies Act, 1913, having its factory at Pedakkani in Guntur District and its head office at Madras. The appellant''s case is that the head office is not doing anything in connection with the work of the factory and that the employees are, therefore, not Governed by the provisions of the Act, This was opposed by the respondent and the respondent further contended that he had not been properly described in the petition. The appellant''s contentions have not been upheld by the Court below before whom two contentions were raised during arguments, namely, (I) that the employees in the head office are not employees within the meaning of Section 2(9) of the Act and (2) that the provisions of the Act cannot be made applicable to the head office in the absence of a notification u/s 1(5) of the Act. If the employees in the head office are employees within the meaning of Section 2(9) of the Act, the question of issue of a separate notification would not arise as they would be employees of the same establishment. After the amendment of the definition of an employee u/s 2(9), an employee means any person employed for wages in or in connection with the work of a factory or establishment to which the Act applies; The inclusive definition would take in the employees in the head office. It can also no longer be contended that the employees in the head office are not persons employed in connection with the work of a factory or establishment to which the provisions of the Act apply. There is evidence to show that the general manager in the head office at Madras is in overall charge of Hemalatha Taxtiles and that the accounts of the mill and the factory are consolidated in the head office at Madras. In the face of this evidence, it is not possible to accept the other evidence that the head office at Madras has no direct connection with the work carried out in the mill and factory in Guntur district. The head office at Madras is directly controlling the affairs of the factory in Guntur district, which admittedly is governed by the provisions of the Act, as the general manager in the head office at Madras is in overall charge of the factory manufacturing the goods. Therefore, I agree with the lower Court and find that the employees of the appellant in the head office at Madras are employees within the meaning of Section 2(9) of the Act. The petition has been rightly dismissed. The appeal is, therefore, dismissed with costs.