
(2002) 02 MAD CK 0017

In the Madras High Court

Case No : L.P.A. No's. 132, 133 and 190 of 2000 and W.A. No. 923 of 1999

Sathianathan N. and Sons (P) Ltd. and Others

APPELLANT

Vs

E.S.I. Corporation and Another

RESPONDENT

Date of Decision : 06-02-2002

Acts Referred:

Employees State Insurance Act, 1948 — Section 2(22)

Citation : (2002) 2 LLJ 1002

Hon'ble Judges : S. Jagadeesan, J;P.D. Dinakaran, J

Bench : Division Bench

Advocate : S. Ravindran, for the Appellant; G. Desappan, for the Respondent

Final Decision : Allowed

Judgement

S. Jagadeesan, J.—The earlier Division Bench, consisting of Justice Sri N.K. JAIN as Acting Chief Justice and Justice Sri K. RAVIRAJA

PANDIAN, by order, dated August 10, 2000, directed W.A. No.929 of 1999, to be posted along with these appeals. Hence, all the matters are

taken up together for final disposal, with the consent of the counsel for both sides.

2. A short question that arises for consideration in these appeals is whether the service charges collected by the management of the Hotel, on

behalf of their employees in lieu of direct tips, and the same is paid to the employees at a later date, would attract the term ""service charges"" and

will constitute ""wages,"" as contemplated u/s 2(22) of the Employees' State Insurance Act.

3. Now both the counsel concede that the department has taken a view that such tips collected by the management of the hotel to be paid to their

employees at a later date will not constitute ""wages"" as contemplated u/s

2(22) of the Employees' State Insurance Act. In fact the Standing

Counsel for the respondent Sri Desappan also fairly represented that in view of the present stand taken by the department, these appeals have to

be allowed.

4. Recording the statement of both the counsel, all the appeals are allowed. No costs. CMP No. 8976 of 1999 is closed.