



WP.(MD)No.16141 of 2018

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 28.10.2025

CORAM :

THE HON`BLE MR.JUSTICE B.PUGALENDHI

WP.(MD)No.16141 of 2018
and
WMP.(MD)No.14375 of 2018

The Regional Manager,
Tamilnadu Civil Supplies Corporation,
Trichy Region, Trichy.

... Petitioner

Vs.

1.The Authorized Officer/
Labour Inspector,
(Conferment of Permanent Status Act),
Trichirappalli.

2.L.Viswanathan
3.A.Raja
4.D.Ayyappan
5.S.V.Saravanakumar
6.M.Ondimuthu
7.P.Ramalingam
8.D.Maheskumar
9.S.Lawrance
10.S.Ramkumar
11.M.Vinayagamoorthy
12.K.Puruchothaman
13.P.Athimuthu
14.A.Ali Ahamed

15.The Managing Director,



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Tamilnadu Civil Supplies Corporation,
Chennai-10.

... Respondents

(The 15th respondent is hereby given up)

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of Writ of Certiorari, to call for the records pertaining to the impugned orders passed by the first respondent in Petition No.2817 of 2013, dated 14.08.2016, received on 08.01.2018 and quash the same.

For Petitioner : Mr.G.Mohankumar

For R1 : Mr.C.Venkateshkumar,
Special Government Pleader.

For R4, R5, R7 to
R10, R12 & R14 : Mr.P.M.Vishnuvarthanan

ORDER

Tamilnadu Civil Supplies Corporation has preferred this writ petition as against the order passed by the first respondent/authority under the Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981 [hereinafter referred as 'the Act'].



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2.The Private respondents/workmen have filed an application in Petition No.2817 of 2013 before the first respondent under Section 3 of the Act that they are continuously working in the petitioner/Corporation from the year 2001 for more than 480 days, within a period of two years continuously and therefore, they must be made permanent. The first respondent allowed the said petition by an order dated 14.08.2016 directing the petitioner / Corporation to regulate their service as permanent service as per Section 3 of the Act. Aggrieved by that order, the petitioner/Corporation has filed the present writ petition.

3.This writ petition was filed in the year 2018 and taken up for final disposal only in the year 2025. Pending writ petition the respondents 2, 3, 6, 11 & 13 have left the job and therefore, the learned counsel appearing for the private respondents submits that they are not pressing for the claim of permanent status with regard to those respondents and confined their claim only with regard to the respondents 4, 5, 7, 8, 9, 10, 12 & 14.



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4.The main contention of the learned counsel appearing for the petitioner/Corporation is that the civil supplies Corporation is established only for preserving food and crops. According to him, the Tamilnadu Civil Supplies Corporation is a non-profit organization licensed by the Government to procure, store and supply various essential commodities under various Government schemes including Public Distribution System. Therefore, the petitioner/Corporation cannot be considered to be a industrial establishment or commercial establishment and the Act cannot apply to the respondents. However, they are also distributing gas cylinders as per the agreement of the Indian Oil Corporation Limited. The gas agency provided to the petitioner/Corporation cannot be treated as factory and it cannot be termed as industrial establishment. Therefore, the first respondent is not justified in entertaining the claim application filed by the respondents under Section 3 of the Act.



5.The other contention of the learned counsel for the petitioner is that there were less than 20 employees and therefore, the Act will not be applicable. This supply of gas cylinders for certain period cannot be added, along with the other employees of the Tamilnadu Civil Supplies Corporation. The learned counsel has also relied on the Section 2(ka)(a) of the Industrial Dispute Act, 1947 and submits that this supply of gas cylinder operation is not related to the Civil Supply Corporation and it needs to be severable from other operations of the Corporation.

6.He also claims that there is no employee and employer relationship between the private respondents and the petitioner/Corporation. There is no order of appointment and no attendance register and the work of cylinder distribution is purely temporary one, depending upon the license granted by the Indian Oil Corporation Limited and it can be terminated at any point of time. The learned counsel has also relied on the judgments of the Hon'ble Supreme Court reported in 2004 (7) SCC 112, Umarani Vs. Registrar,



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Cooperative Societies and 2017 (4) SCC 113, State of Tamil Nadu Vs. A.Singamuthu and submits that the Civil Supplies Corporation is a State owned Company registered under the Companies Act. Though it mainly deals with procuring, storing and supplying of essential commodities, they have also obtained license from the Indian Oil Corporation Limited for running petrol bunk and gas agency.

7.The learned counsel for the respondents 4, 5, 7 to 10, 12 & 14 has pointed out that the petitioner / Corporation is running gas agency at Trichy from the year 1989 and the private respondents are working with the petitioner/ Corporation from the year 2001 onwards. According to him, the Corporation is supplying not less than 6000 gas cylinders as on date in Trichy Corporation limit. The Indian Oil Corporation Limited is supplying cylinders to the petitioner/ Corporation for a sum of Rs.822.22/- and has also permitted the Corporation to sell the cylinders at the rate of 899/- and not less than Rs.76.74/- was permitted as a commission for supplying of each cylinders.



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WEB COPY 8.This Court has considered the submissions made on either side and perused the available records.

9.Section 3 of the Act protect the workman, who is in continuous service for a period of 480 days in a period of 24 calendar months in any industrial establishment and he shall be made permanent. The word “Workman” is defined under the Act that a person who was employed in any industrial establishment to do any skilled or unskilled, manual, supervisory, technical or clerical work for hire or reward. The Word “Establishment” is defined in Section 2(6) of the Tamil Nadu Shops and Establishment as under:-

“2(6) ‘establishment’ means a shop. commercial establishment, restaurant, eating-house, residential hotel, theatre or any place of public amusement or entertainment and includes such establishment as the 1 [State] Government may by notification declare to be an establishment for the purposes of this Act.”

The word “Commercial Establishment” is defined in Section 2(3) of the Tamil Nadu Shops and Establishment as under:-



“2(3) ‘commercial establishment’ means an establishment which is not a shop but which carries on the business of advertising, commission, forwarding or commercial agency, or which is a clerical department of a factory or industrial undertaking or which is an insurance company, joint stock company, bank, broker’s office or exchange and includes such other establishments as the State Government may by notification declare to be a commercial establishment for the purposes of this Act.”

10.Perusal of the agreement of the petitioner/ Corporation with the Indian Oil Corporation limited would expose that the Civil Supplies Corporation is supplying gas cylinders for commission of Rs.76.74/-, which was fixed at the time of agreement and it has been periodically revised. However, they are paying Rs.1.58/- for supply of cylinder to those workers who have been engaged by the Civil Supply Corporation for supply of gas cylinder at the door step.

11.The object of the Act is to prevent the exploitation of workman who has been continuously engaged by any



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organization for a long period in industrial establishment without being made permanent. The intent of the legislature is to confer protection to workmen employed in organized industries having continuity of employment in a regular manner or in the distributions operations.

12.The petitioner/Corporation is supplying this gas cylinder from the year 1989 continuously for the past 40 years and having substantial number of connection in Trichy Corporation. Moreover, the petitioner/Corporation is registered under the Companies Act and providing salary to the employees from the profit made by this Company. Therefore, it will come under the establishment as defined under the Tamil Nadu Shops and Establishment Act and therefore, it can be an industrial establishment under Section 2(3)(e) of the Act.

13.In view of the above, this Court is not inclined to interfere with the orders of the first respondent. However, this Court has to consider the contention of the learned



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counsel for the petitioner / Corporation that this supply of cylinder is subject to the license granted by the Indian Oil Corporation Limited and other minimum qualification prescribed under the Civil Supply Corporation service regulations. Therefore, the respondents 4, 5, 7 to 10, 12 & 14 are entitled to be engaged as permanent employees only for supplying cylinders and also subject to the license granted by the Indian Oil Corporation Limited. Accordingly, this writ petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

28.10.2025

NCC : Yes/No
Index : Yes/No
Internet:Yes
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To
The Authorized Officer/
Labour Inspector,
(Conferment of Permanent Status Act),
Trichirappalli.



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B.PUGALENDHI,J

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