



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-07-2026

CORAM

THE HON'BLE MR JUSTICE N. ANAND VENKATESH

Civil Miscellaneous Appeal No.786 of 2026

and

C.M.P.No.8468 of 2026

Deputy Director,
Regional Office (Tamil Nadu),
Employees State Insurance Corporation,
143, Sterling Road,
Chennai – 600 034.

..Appellant

Vs

Karan Nanda Enterprises,
represented by its Proprietor M.S.Manoharan,
No.100, Pidariar Koil Street,
George Town, Chennai - 600 001.

..Respondent

Civil Miscellaneous Appeal filed under Section 82 of the Employees' State Insurance Act, 1948, against the judgment and decree dated 10.09.2024 passed in EIOP.No.22/2012 on the file of Principal Labour Court, Chennai.

For Appellant : Mr.M.Baskar

For Respondent : Mr.M.Ramalingam

JUDGMENT

This appeal has been filed by the Employees State Insurance Corporation challenging the order passed by the Principal Labour Court, Chennai, in EIOP No.22 of 2012 dated 10.09.2024, wherein the Principal Labour Court allowed



the petition filed by the respondent under Section 75 of the Employees State Insurance Act, 1948 [for brevity 'the Act'] and thereby, quashed the proceedings of the appellant under Section 45A of the Act, which culminated in the revenue recovery proceedings dated 10.04.2012.

2. The appellant corporation passed an order under Section 45A of the Act dated 25.03.2010 and the consequent revenue recovery proceedings were initiated through proceedings dated 10.04.2012 on the ground that the respondent did not pay contribution as required under law in spite of the show cause notice issued by the appellant corporation and therefore, the appellant corporation had determined the total contribution payable at Rs.1,23,337/- and an order came to be passed under Section 45A of the Act. Since the respondent did not pay the amount, the revenue recovery proceedings were also initiated.

3. The respondent, aggrieved by the proceedings initiated by the appellant, filed a petition under Section 75 of the Act before the Principal Labour Court, Chennai, on the ground that the respondent is a small printing press running in a space of 160 sq.ft. with only 4 employees and therefore, the provisions of the Act will not apply to the respondent.

4. The Principal Labour Court on considering the facts and circumstances of the case and on appreciation of evidence, came to a conclusion that the



respondent has not employed 10 or more employees for being covered under the Act, therefore, the very demand made by the appellant corporation cannot be sustained. Accordingly, the petition filed by the respondent came to be allowed by the Principal Labour Court, Chennai, by order dated 10.09.2024. Aggrieved by the same, the present appeal has been filed before this Court.

5. Heard learned counsel for appellant and learned counsel for respondent.

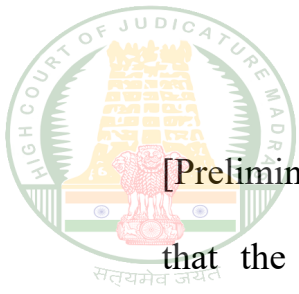
6. The main ground urged by learned counsel for appellant is that the Social Security Officer had verified the ledger records and found that there were more than 10 persons employed by the respondent, which goes to prove that the respondent printing press will come within the purview of the Act. Learned counsel further submitted that the respondent did not respond to any notice or summons and therefore, the appellant proceeded further to initiate proceedings under the Revenue Recovery Act in order to recover contributions payable by the respondent. It is further contended that the order passed by the Principal Labour Court, Chennai, suffers from perversity and therefore, it warrants interference of this Court and consequently, the proceedings initiated by the appellant corporation has to be sustained.



7. In an appeal filed under Section 82 of the Act, this Court has to determine as to whether any substantial question of law is involved. In the case in hand, only notice was ordered by this Court and no substantial question of law was framed by this Court. In view of the above, this Court heard learned counsel on either side to see if any substantial question of law is involved.

8. In the case in hand, the Principal Labour Court, while appreciating the evidence, came to the conclusion that only four persons have been employed by the respondent and for this purpose Ex.P1 [Copy of Attendance Register] was relied upon. The Principal Labour Court, Chennai, also considered Ex.P2 [Preliminary Inspection Report] where again the names of those four employees were noted by the insurance inspector. Apart from those four names, three other names were also shown in the report. The Principal Labour Court, while dealing with the same, found that at the best, those employees can only be temporary workers, who were not engaged on regular basis by the respondent. Accordingly, the Principal Labour Court found that the employees employed by the contractors numbering 9 cannot be treated as employees of the respondent.

9. The above finding rendered by the Principal Labour Court, Chennai, is a factual finding and it is based on available records. Hence, unless those findings are vitiated by perversity, the same cannot be interfered with in the appeal. It is also seen that when the appellant corporation is relying upon Ex.P2



[Preliminary Inspection Report], they ought to have examined the Inspector so that the respondent would have got an opportunity to cross-examine the Inspector with regard to the nature of employees, who were found in the premises at the time of inspection. Even that has not been done in this case. Hence, no question of law is involved in the case and therefore, the order passed by the Principal Labour Court, Chennai, in EIOP No.22 of 2012 dated 10.09.2024, does not warrant the interference of this Court.

Accordingly, this Civil Miscellaneous Appeal is dismissed. No costs. Consequently, the connected miscellaneous petition is closed.

06-07-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
gm

To
The Principal Labour Court,
Chennai.



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CMA No.786 of 2



N.ANAND VENKATESH, J.

gm

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