



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 04.12.2017

CORAM :

WEB COPY

THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

C.M.A. (MD) No.871 of 2016

1. The Joint Director,
Employees' State Insurance Corporation,
Assistant Regional Office,
Panchadeep Bhavan, ESIC Complex,
Salai Street, Vannarpet,
Tirunelveli - 627 003.

2. The Deputy Director,
Employees' State Insurance Corporation,
Assistant Regional Office,
Panchadeep Bhavan, ESIC Complex,
Salai Street, Vannarpet,
Tirunelveli - 627 003.

... Appellants

Vs.

The Director,
Sundaram Textiles Limited,
Nambi Nagar,
Nanguneri,
Tirunelveli.

... Respondent

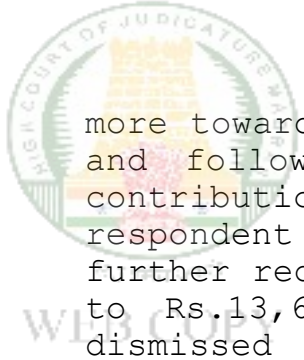
Prayer: Civil Miscellaneous Appeal is filed under Section 82(2) of the ESI Act, 1948, to set aside the decree and judgment of the ESI Court, (Labour Court) Tirunelveli passed in ESIOP.No.30 of 2014.

For Appellants : Mr.K.C.Ramalingam
For Respondent : Mr.P.Chandra Bose

JUDGMENT

The Employees' State Insurance Corporation has filed this appeal questioning the order of the ESI Court made in ESIOP.No.30 of 2014 filed by the respondent herein.

2.The respondent is a textile mill. Around 800 employees were working it. The respondent is a covered establishment. It is not in dispute that the respondent is paying contribution for its employees. The appellant corporation issued notice in the form of Form C-18 calling upon the respondent to pay a sum of Rs.6,92,286/-



more towards contribution. The respondent offered their explanation and following an enquiry the appellant corporation reduced the contribution amount to Rs.36,306/-. This was questioned by the respondent by filing of ESIOP.No.30 of 2014. The ESI Court further reduced the amount of contribution payable by the respondent to Rs.13,650/-. Contending that the ESI Court ought to have dismissed the petition filed by the respondent in its entirety, this appeal has been filed.

3.The bone of contention is whether the amount spent by the establishment for getting certain works done by outsourcing ought to be included for the purpose of calculating the contribution. A Full Bench decision of this Court reported in **2008-1 LLJ 278 (ESIC v. Bethall Engineering Co.,)** held that the question of levying contribution in such cases by ESI Corporation would not arise. The issue raised in this case is no longer *res integra*. The aforesaid Full Bench decision squarely applies to the facts of this case.

4.Answering the substantial question of law arising in this case against the appellant, I dismiss this appeal. No costs.

Sd/-
Assistant Registrar (AE)

/True Copy/

Sub Assistant Registrar

To

1. The ESI Court, (Labour Court) Tirunelveli.
2. The Record Keeper, Vernacular Section,
Madurai Bench of Madras High Court,
Madurai.

+ 1 CC TO Mr.K.C.RAMALINGAM, ADVOCATE IN SR No. 91228
+ 1 CC TO Mr.P.CHANDRABOSE, ADVOCATE IN SR No. 91271

SKM

TE/JC/SAR-1 : 15/12/2017 : 2P/5C

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