

IN THE HIGH COURT OF JUDICATURE AT MADRAS  
DATED : 11.12.2018

Coram  
THE HONOURABLE MR. JUSTICE M.V.MURALIDARAN

C.M.A.No.1086 of 2018 and  
C.M.P.No.9127 of 2018

I.Jairaj  
verses  
... Appellant

1. The Employees State Insurance Corporation  
Rep. by its Regional Director,  
143, Sterling Road,  
Chennai - 600 034.

2. The Recovery Officer,  
Regional Office,  
ESI Corporation,  
143, Sterling Road,  
Chennai - 600 034.

3. M/s.Firenze Leather's Pvt. Ltd.,  
Rep. by its Managing Director,  
Plot No.141, SIDCO Indl. Estate,  
SIPCOT Complex, Ranipet - 3.

4. M/s.Firenze Leathers Pvt. Ltd.,  
Rep. by its Managing Director,  
158, Ganapathy Street,  
Arulmurugan Nagar,  
Chennai - 600 117.

...Respondents

Prayer : The Civil Miscellaneous Appeal is filed under Section 82 of the Employees State Insurance Act, 1948, against the order made in EIOP No.44 of 2013 dated 12.10.2017 on the file of the Employees Insurance Court / Principal Labour Court, Chennai.

For Appellant : Mr.S.Sai Prasad for  
M/s.Sai Raj Associates

For Respondents : Mr.S.P.Srinivasan,  
Standing counsel (for R1 and R2)  
Mr.N.Kumar Rajan (for R3 and R4)

JUDGMENT

The Civil Miscellaneous Appeal is filed against the award made in E.I.O.P.No.44 of 2013 dated 12.10.2017 on the file of the Employees Insurance Court / Principal Labour Court, Chennai.

2. It is the case of the appellant that the appellant was working as Managing Director in the 3<sup>rd</sup> respondent company and he had resigned his job on 30.12.1997 and he was also informed through paper publications. The 3<sup>rd</sup> respondent company also submitted Form 32 in respect of the resignation of the appellant on 24.06.1998 to the Registrar of Companies. Thereafter, on 16.07.2004, the 1<sup>st</sup> and 2<sup>nd</sup> respondents sent an order under Section 45-A of the ESI Act which was challenged in EIOP No.44 of 2013 before the Employees Insurance Court/Principal Labour Court, Chennai. After contest, the learned Principal Labour Judge dismissed the application on 12.10.2017 by stating that the appellant is liable to pay the amount for the said period as per the impugned order of the ESI corporation i.e. from January 1997 to September 2002 with appropriate interest. Challenging the said order dated 12.10.2017, the present appeal has been filed.

3. Heard the learned counsel for the appellant as well as the learned counsel appearing for the respondents and perused the materials available on record.

4. On a perusal of records, it is evident that there is an admission that up to 30.12.1997, the appellant was working as a Managing Director of the 3<sup>rd</sup> respondent company. But after resignation, the appellant ought to have informed the respondents 1 and 2 about his resignation as per Regulation 10C of ESI Regulation 1950. However, the appellant failed to do so. Therefore, the appellant is liable to pay the said claim amount made by the ESI Corporation upto his resignation dated 30.12.1997, since the appellant was the Managing Director till 30.12.1997 and he cannot say simply, he is not liable to pay the amount.

5. In view of the above, this Court is inclined to pass the following order:

a) This appeal is partly allowed by setting aside the order of the Employees Insurance Court/Principal Labour Court, Chennai made in E.I.O.P.No.44 of 2013.

b) The appellant is directed to pay the claim amount as per the impugned order dated 16.07.2004 by the 1<sup>st</sup> and 2<sup>nd</sup> respondents upto 30.12.1997, however with interest at 6% per annum within a period of eight weeks from the date of receipt of a copy of this order.

Consequently, connected miscellaneous petition is closed. No costs.

Sd/-  
Assistant Registrar

//True Copy//

Sub Assistant Registrar

vum

To

1.The Employees Insurance Court,  
(Principal Labour Court)  
Chennai.

2.The Regional Director,  
Employees State Insurance Corporation,  
143, Sterlin Road, Chennai - 600 034.

3.The Recovery Officer,  
Regional Office,  
ESI Corporation,  
143, Sterling Road,  
Chennai - 600 034.

4.The Presiding officer,  
Principal Labour Court,  
ESI Court, Chennai.

+lcc to Mr.N.Kumar Rajan, Advocate, S.R.No.85257

+lcc to Mr.SP.Srinivasan, Advocate, S.R.No.85284

+lcc to M/s.Sai Raj Associates, Advocate, S.R.No.85578

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CP(CO)

rrs 07/01/2019