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W.P.No.12492 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 30.04.2024

CORAM:

THE HONOURABLE JUSTICE Dr. JUSTICE D. NAGARJUN

W.P.No.12492 of 2024
and
W.M.P.No.13644 of 2024

Frontier Knitter Pvt. Ltd.,
No.52, Process Server Street,
Tiruppur – 641 601.
Rep by its Manager

... Petitioner

Vs.

1. The Deputy Director,
Employees State Insurance Corporation,
Sub Regional Office,
1897, Trichy Toad Panchdeep Bhavan,
Ramanathapuram Coimbatore – 641 045.
 2. The Recovery Officer,
Employees State Insurance Corporation,
Sub Regional Office,
1897, Trichy Toad Panchdeep Bhavan,
Ramanathapuram Coimbatore – 641 045.
 3. The Branch Manager,
State Bank of India,
Specialised Commercial Branch, Veerappan Complex,
No.24, Stanes Road, Tiruppur – 641 602.
- ... Respondents



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Prayer: Writ Petition is filed under Article 226 of the Constitution of India, seeking to issue a writ of mandamus forbearing the first and second respondent in proceeding any further terms of the order of the second respondent dated 17.04.2024 in proceedings No.CBE/RECY/CP-4/56/060397/106 and further permit the petitioner to remit the amount demanded on 15 equated monthly installments and also to operate the bank account No.10516448396 and 10516448421 maintained with the third respondent with immediate effect.

For Petitioner	:	Mr.Anand Gopalan for M/s. Agam Legal Advocates
For R1 & R2	:	Mr.S.P.Srinivasan
For R3	:	No appearnace

ORDER

This writ petition is filed seeking for a direction to permit the petitioner to remit the amount demanded on 15 equated monthly installments and also to operate the bank account No.10516448396 and 10516448421 maintained with the third respondent with immediate effect.



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2. The petitioner's company is a private limited company and has got many branches around Tiruppur. The eligible employees of the petitioner management were covered under the provisions of ESI Act, 1948 and Employees Provident Fund, 1952. Since inception, the petitioner's company was making its contributions. In the year 2016, as the petitioner's company extended its business and invested a huge amount for the same. During the year 2019 as the Covid-19 struck thereby, funds could not be released and hence, there was a delay in paying the contributions. Though, there was a delay, the contribution amounts were paid belatedly.

3. While so, the office of the first respondent initiated proceedings for the belated remittances made during the period 2017-2023 with a demand of Rs.20,30,336/- towards damages in respect of all units of the petitioner.

4. On 17.04.2024, the first respondent issued Prohibitory Orders and the petitioner's bank account was frozen.

5. It is submitted by the learned counsel for the petitioner that the petitioner has been paying the principal and the interest amount and owing to the poor financial position of the petitioner's company, the petitioner has



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sought for permission to pay the demands in equated monthly installment basis. Hence this writ petition.

6 . Heard both sides and perused the record.

7. In view of the submissions made by both sides and on considering the documents placed before this Court, it is clear that there is no dispute in the quantum of amount to be paid by the petitioner company to the first and second respondents. Considering the fact that the financial condition of the petitioner's company is very weak and running in losses and that the petitioner's company is bound to pay dues, this Court is inclined to consider the petitioner request to permit the petitioner's company to pay the dues under equated monthly instalments.

8. Accordingly, this writ petition is disposed of directing the petitioner's company to pay the balance amount to a tune of Rs.20,30,336/- in ten equal instalments. The first instalment shall start from 15th of June 2024. Subsequently, on or before of 15th every month the petitioner's company has to pay the balance of instalments until the entire amount of Rs.20,30,336/-/- is cleared. If the petitioner fails to pay any one of the instalments, then the



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respondent is at liberty to recover the entire balance amount due at once.

Further, the Prohibitory Order dated 17.04.2024 issued by the first respondent is ordered to be withdrawn and the petitioner's company is permitted to operate in account in the third respondent Bank.

9. Accordingly, this writ petition is disposed of with the above said directions. Connected W.M.P is closed. No costs.

30.04.2024

vca

Index: Yes/No

Speaking Order: Yes/No

Dr.D. NAGARJUN, J.



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vca

To,

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Employees State Insurance Corporation,
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