



WEB COPY

WP No. 36115 of 2024



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05-11-2025

CORAM

THE HONOURABLE MRS.JUSTICE N. MALA

WP No. 36115 of 2024

and WMP.No.39009 of 2024 and WMP.No.47749 of 2025

The Ainnurruvar
No.8/4078E, Cholan Nagar,
Anna Nagar East,
Pandian Nagar (P.O),
Tiruppur-641 602,
Rep. by Its Proprietor,
Chockalingam Seshagiri.

Petitioner(s)

Vs

The Deputy Director
The Employees State Insurance Corporation,
Trichy Road, Ramanathapuram,
Coimbatore-641 045.

Respondent(s)

PRAYER

Calling for the records of the Employees State Insurance court, Coimbatore in I.A. No.2 of 2023 in ESICFR No.2518 of 2023 and quash its order dated 28.06.2024 and direct the employees State Insurance Court, Coimbatore to



entertain the EIOP filed by the petitioner.

For Petitioner: Mr.Haroon AL Rasheed
for M/s.Agam Legal

For Respondent(s): Mr. K. Prabhakar

ORDER

This Writ Petition is filed challenging the order dated 28.06.2024 rejecting the petitioner's interlocutory application in I.A. No.2 of 2023 in ESICFR No.2518 of 2023 passed by the ESI Commissioner.

2. The petitioner-Company, was initially involved in trading of Hosiery Garments and subsequently, in 2012 commenced a manufacturing unit. However, in 2017, the petitioner stopped its manufacturing activities and sold the machinery to third parties. While so, on 18.02.2020 an order was passed by the respondent under Section 45A of the ESI Act, claiming contribution for the period between 01.02.2017 and 31.05.2019. Challenging the same, the petitioner filed EIOP along with condone delay petition in I.A.No.2 of 2023. Since the interlocutory application was dismissed, the present Writ Petition has



been filed.

3. After the matter was heard at length, the learned counsel for the petitioner on instructions submitted that the petitioner is willing to settle the matter as per the Amnesty Scheme of the ESI Corporation dated 24.07.2025. Therefore, the learned counsel sought permission of this Court for out of Court settlement as mandated by the provisions of Amnesty Scheme. The learned counsel further submitted that in case the matter was not settled, liberty may be granted to the petitioner to approach this Court.

4. The learned counsel submitted that during the pendency of the Writ Petition, the respondent on 06.10.2025, passed a prohibitory order of attachment of the property of the petitioner and his wife. Since the petitioner is in need of money for the purpose of his son's Education, the learned counsel prayed that the order of attachment may be lifted, so as to enable the petitioner to raise loan over the property.

5. The learned Standing Counsel for the respondent submitted that the



order of attachment was passed to secure the interest of the Corporation.

The learned counsel further submitted that in case this Court is inclined to raise the attachment, it should impose a condition on the petitioner, that he should not alienate the property till the matter is settled.

6. Heard the learned counsel for the petitioner and the learned Standing Counsel for the respondent and perused the materials available on record.

7. It is relevant to extract clause 2 of the Amnesty Scheme dated 24.07.2025, which reads as follows:

“(ii) DISPUTE OF CONTRIBUTION:

This Scheme shall also include cases in which the employer has disputed the determination of contribution under Section 45A or under Section 45AA or recovery of contribution, in the Employees' State Insurance Court, u/s 75 of the ESI Act, made the appeal u/s 82 of the Act or under article 226 of Constitution of India (where substantial question of law is not involved), up to 31.03.2025 subject to the fulfillment of the following conditions:

- i) The employer shall file a petition before the Hon'ble Court where he has raised the dispute and seek*



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permission of Hon'ble Court for out of Court settlement of matter under litigation. If the Court allows, then the matter shall be settled as per the scheme. The employer shall apply for the Amnesty scheme in the proforma prescribed by the Corporation.”

8. From the above provision of Amnesty Scheme, it is clear that permission of the Court is necessary for out of Court settlement of the matter under litigation. Since the petitioner expressed his willingness to settle the matter out of Court, permission is granted as per the above provision of the Amnesty Scheme. As far as petitioner's prayer for raising the attachment is concerned, this Court is of the view, the attachment can be raised on terms.

9. In view of the above, this Writ Petition is disposed of with the following directions:

- i) The petitioner is permitted to settle the matter out of Court under the Amnesty Scheme, dated 24.07.2025.
- ii) The petitioner shall pay a sum of Rs.2,50,000/- (Rupees two lakhs and fifty thousand only) to the ESI Corporation within a period of two weeks from the date of receipt of a copy of this order.



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iii) On receipt of such payment, the attachment shall be raised.

iv) The petitioner is granted liberty to raise loan on the said property, however, the petitioner shall not otherwise alienate the property, by sale etc.

v) The petitioner's submission that he will not alienate the property, by way of sale till the matter is settled is recorded.

vi) The petitioner is granted liberty to file fresh Writ Petition in case the matter is not settled out of Court under the Amnesty Scheme.

No costs. Consequently, connected miscellaneous petitions are closed.

05-11-2025

pvs/AP

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

To

The Deputy Director

The Employees State Insurance

Corporation, Trichy Road,

Ramanathapuram, Coimbatore-641 045.



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N.MALA J.

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