

W.P(MD)No.8558 of 2026

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 22.06.2026

CORAM

THE HONOURABLE MR.JUSTICE HEMANT CHANDANGOUDAR

Writ Petition(MD)No.8558 of 2026

and

W.M.P(MD)No.6942 of 2026

M/s B.V.V.Paper Industries Limited,
rep. by its authorized signatory
Shri Mr.Ramesh, Khandelwal,
Managing Director
Nallur, Pushpathur Village,
Palani - 624 113.

.. Petitioner

Vs

1.The Authorised Officer,
ESI Corporation,
Sub Regional Office, 2nd west Street,
K.K.Nagar, Madurai - 625 020.

2.The Recovery Officer,
ESI Corporation,
Sub Regional Office, 2nd West Street,
K.K.Nagar, Madurai - 625 020.

..Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari to call for the records of the 1st respondent pertaining to the impugned order under Section 45-C to 45-I of the 1948 Act bearing Ref. No. 57-00-047028-000-0801/Rev.II/ SRO/MDU/83/05/F18053 dated 30.01.2026 and quash the same as illegal arbitrary and devoid of merits.



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For Petitioner : Mr.Sriram Venkatavaradan

For Respondents : Mr.I.Pinayagash
Standing Counsel

ORDER

The petitioner challenges the order dated 30.01.2026 passed by the first respondent under Sections 45-C to 45-I of the Employees' State Insurance Act, 1948.

2.By the impugned order, the respondents determined a sum of Rs.18,98,789/- as due and payable towards ESI contributions, together with interest at the rate of 12% per annum, calculated at Rs. 165.59 per day from 31.01.2026 until the date of recovery.

3.The petitioner states that the account of the company was classified as a Non-Performing Asset (NPA) on 31.03.1999 and that the company was subsequently declared a sick industrial unit by the Board for Industrial and Financial Reconstruction (BIFR). Thereafter, the company was admitted into the Corporate Insolvency Resolution Process (CIRP) by the National Company Law Tribunal, Chennai Bench.



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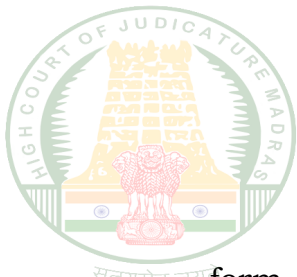
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4.Pursuant to the initiation of the CIRP under the Insolvency and Bankruptcy Code, 2016, the Resolution Professional issued a public announcement on 02.06.2021 under Section 15 of the Code read with Regulation 6 of the relevant Regulations, inviting claims from all creditors, including statutory authorities.

5.Thereafter, a Resolution Plan submitted by the successful resolution applicant was approved by the Committee of Creditors with 100% voting share and subsequently came to be approved by the National Company Law Tribunal, Chennai Bench, by order dated 30.05.2022.

6.According to the petitioner, upon approval of the Resolution Plan under Section 31 of the Insolvency and Bankruptcy Code, 2016, all claims and statutory dues that did not form part of the approved Resolution Plan stood extinguished.

7.It is the further case of the petitioner that, pursuant to the approval of the Resolution Plan, the management of the corporate debtor was taken over from the erstwhile management. Therefore, the petitioner cannot be made liable for any statutory dues, including contributions under the Employees' State Insurance Act, which do not



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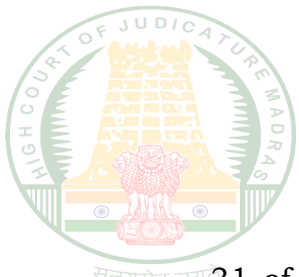
form part of the approved Resolution Plan. On that basis, the petitioner challenges the impugned order.

8. When the matter was taken up, the learned Standing Counsel appearing for the respondents, on instructions, submitted that the respondents would not take any coercive steps against the petitioner for recovery of the amount covered under the impugned order and that they propose to proceed against the erstwhile management in accordance with law.

9. The said submission is placed on record.

10. The petitioner has also relied upon the judgment of the Hon'ble Supreme Court in *Ruchi Soya Industries Limited v. Union of India*, reported in (2011) 6 SCC 343, to contend that once a Resolution Plan is approved under Section 31 of the Insolvency and Bankruptcy Code, claims that do not form part of the approved Resolution Plan cannot be enforced against the successful resolution applicant.

11. In the present case, it is not in dispute that the ESI dues covered under the impugned proceedings do not form part of the approved Resolution Plan. In view of the mandate contained in Section



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31 of the Insolvency and Bankruptcy Code and the law laid down by the Hon'ble Supreme Court, such dues cannot be enforced against the petitioner, who has taken over the management pursuant to the approved Resolution Plan.

12. Therefore, the impugned order, insofar as it seeks to enforce liability against the petitioner, cannot be sustained.

13. Accordingly, the writ petition is allowed and the impugned order bearing Ref. No.57-00-047028-000-0801/Rev.II/SRO/MDU/83/05/F18053 dated 30.01.2026, issued under Sections 45-C to 45-I of the Employees' State Insurance Act, 1948, is quashed insofar as the petitioner is concerned. However, liberty is reserved to the respondents to recover the dues covered under the impugned order from the erstwhile management in the manner known to law.

14. No costs. Consequently, the connected miscellaneous petition is closed.

22.06.2026

NCC : Yes/No

Index : Yes/No

Internet:Yes

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Case Citation: (2026) ibclaw.in 3458 HC



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HEMANT CHANDANGOUDAR, J.

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