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**IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH**

Date of Decision : 11.09.2025

**1. FAO-4461-2024 (O&M)**

EMPLOYEE'S STATE INSURANCE CORPORATION AND OTHERS

....Appellants

Versus

SULABH INTERNATIONAL SOCIAL SERVICES ORGANISATION

....Respondent

**2. FAO-4465-2024 (O&M)**

**3. FAO-4684-2024 (O&M)**

EMPLOYEE'S STATE INSURANCE CORPORATION AND ANOTHER

....Appellants

Versus

SULABH INTERNATIONAL SOCIAL SERVICES ORGANISATION

....Respondent

**CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN**

Present : Mr. H.S. Bhatia, Advocate for appellants.

**PANKAJ JAIN, J. (ORAL)**

**CM-16449-CII-2024 in FAO-4461-2024**

**CM-16481-CII-2024 in FAO-4465-2024**

**CM-17438-CII-2024 in FAO-4684-2024**

Present applications have been filed under Section 5 of Limitation Act seeking condonation of delay of 164 days (in FAO No.4461 of 2024), 167 days (in FAO No.4465 of 2024) and 169 days (in FAO No.4684 of 2024) in filing the instant appeals.

For the reasons recorded in the applications, this Court is



satisfied that the applicants/appellants have made out a sufficient cause for condonation of delay.

Consequently, the present applications are allowed. The delay of delay of 164 days (in FAO No.4461 of 2024), 167 days (in FAO No.4465 of 2024) and 169 days (in FAO No.4684 of 2024) in filing the instant appeals is hereby condoned.

**FAO-4461-2024 (O&M)**  
**FAO-4465-2024 (O&M)**  
**FAO-4684-2024 (O&M)**

These three appeals involve same issue arising out of same facts.

2. The issue involved is:

*“Whether the respondent who claims itself to be a voluntary social service organization involved in public utility services working on no profit no loss basis and formed as a society, registered under the Societies Registration Act, 1860, is covered under the provisions of ESI Act, 1948 or not?”*

3. The demand raised by ESI was challenged by the respondent in a petition filed under Section 75/77 of the Employees’ State Insurance Act, 1948 Act (hereinafter referred to the ‘1948 Act’) before the ESI Court. The ESI Court vide impugned order, observed as under:

*“xxxx in view of my above said discussion and the orders/judgments referred above, it is clear that the petitioner organization is not covered under Industrial Disputes Act and the question whether ESI Act is*



*applicable to it is still sub-judice. So, when applicability of the Act is not clear to petitioner society, the impugned orders are not sustainable and deserves to be set aside. Hence, this issue stands decided in favour of the petitioner and against the respondents.”*

3. Counsel for the appellant(s) has tried to argue that the respondent/Organization would be covered within the definition of ‘shop’ under the Act. On being asked w.r.t. notification covering the shops, he fairly admits that the same is dated 2020 i.e. after the period for which the demand has been raised in the present cases. Accordingly, even if the respondent is held to be ‘shop’ for the purpose of 1948 Act, it still would not be covered under the same. Thus, even if the reasons recorded by the ESI Court are held not to be valid, demand raised by appellant is still unsustainable.

4. In view of above, finding no merit in the present appeals, the same are ordered to be dismissed. However, the question involved is left open.

5. Pending application, if any, shall also stands disposed off.

6. A copy of this order be kept on the files of other connected cases.

**September 11, 2025**

**Dpr**

**(Pankaj Jain)  
Judge**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No