



W.P(MD)No.25714 of 2022

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 03.07.2026

CORAM:

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.25714 of 2022

and

WMP (MD) Nos.19825 and 19827 of 2022

M.Jayanthi

... Petitioner(s)

vs.

1. The Deputy Director /
Authorised Officer,
Employees' State Insurance Corporation
(ESIC), Sub Regional Office,
2nd West Street,
K.K. Nagar,
Madurai – 625 020.

2. The Recovery Officer,
Employees' State Insurance Corporation
(ESIC), Sub Regional Office,
2nd West Street,
K.K. Nagar,
Madurai – 625 020.

3. The Branch Manager,
State Bank of India,
No.34, Ward No.7, Block No.5,

1/8



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Thiyagaraja Complex,
Round Road,
Dindigul – 624 001.

... Respondent(s)

PRAYER : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, calling for the records pertaining to the Impugned order passed by the 1st Respondent dated 07.09.2017 Under Section 45A of the Employees State Insurance Act, 1948 and consequential Impugned Orders of the 2nd Respondent vide his Proceedings in No.57/RRC/00/073232/000/1399/SRO/MDU20, dated 20.11.2020 and proceedings in No.57/RRC/SRO/MDU/73232 dated 10.05.2022 quash the same and consequently direct the Respondent No.3 to de-freeze the petitioner's Account No.37757853193 for the other reliefs.

For Petitioner	: Mr. J. Lawrance
For R1 & R2	: Mr.C.Karthik, Standing Counsel
For R3	: Mr.P.Ponniah

ORDER

Challenging the impugned orders dated 09.09.2012, 20.11.2020 and 10.05.2022, passed under Sections 45-A, 45-C to 45-I of the Employees' State Insurance Act, 1948 (for brevity, hereinafter referred to as "the Act"), the present writ petition has been filed by the petitioner.



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2. The learned counsel appearing for the petitioner submitted that the petitioner is the Correspondent of M/s.St.John's Paramedical and Catering Institute. The petitioner institution was established in the year 2006 with the object of imparting technical education to students belonging to the downtrodden sections of society. However, as the institution could not obtain the required recognition from the competent authority, it was closed in the year 2013. The closure was intimated to the Employees' State Insurance Corporation by letter dated 13.06.2019, informing that the institution had remained closed from 01.06.2013 onwards. Despite the closure of the institution, the respondent initiated proceedings under Section 45-A of the Act and determined contribution of Rs.1,12,613/- for the period from 02/2015 to 10/2016.

3. The learned counsel further submitted that the assessment was made without affording an opportunity to the petitioner. All notices were sent to the closed institution and therefore the petitioner was unable to participate in the proceedings. Consequently, the respondent passed an order under Section 45-A



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The learned counsel submitted that the respondent has already recovered Rs.80,000/- from the petitioner's bank account. Thereafter, pursuant to the interim order passed by this Court, the petitioner deposited a further sum of Rs.50,000/-. Thus, the petitioner has already paid a total sum of Rs.1,30,000/- and the dispute now survives only with regard to the levy of interest and damages. It was further submitted that under the new scheme introduced by the Employees' State Insurance Corporation, the petitioner is entitled to waiver of interest and damages. Therefore, the petitioner prayed that the impugned orders be set aside and the matter be remanded to the respondents for fresh consideration.

4. Per contra, the learned Standing Counsel, appearing for the respondents 1 and 2, submitted that notices had been issued to the petitioner, but the petitioner failed to respond. Therefore, the order under Section 45A was rightly passed. The learned Standing Counsel further submitted that, in the event of remand, the authority would take into consideration the amount already paid by the petitioner and also examine the petitioner's eligibility under any waiver scheme that may be applicable.



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5. Heard the learned counsel for the parties and perused the materials available on record.

6. In view of the submissions made on either side and considering the facts and circumstances of the case, this Court is of the opinion that the petitioner should be afforded one more opportunity to establish that the institution had ceased to function during the relevant period and that no contribution was payable. Such an opportunity would also enable the competent authority to examine the petitioner's claim regarding adjustment of the amounts already recovered/deposited and the petitioner's entitlement to the benefit of any waiver scheme relating to interest and damages, if otherwise eligible.

7. In view of the above, the impugned orders dated 09.09.2020, 20.11.2020 and 10.05.2022 are set aside, and the matter is remitted to the second respondent for fresh consideration. The petitioner shall appear before the second respondent and produce all relevant documents, including those relating to the closure of the institution, within a period of four weeks from the date of receipt of



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a copy of this order. Thereafter, the second respondent shall afford the petitioner a reasonable opportunity of personal hearing, take into account the amount already recovered/deposited by the petitioner, examine the petitioner's claim for waiver of interest and damages under any applicable scheme, if eligible and pass fresh orders on merits and in accordance with law within a period of six weeks thereafter. It is made clear that this Court has not expressed any opinion on the merits of the claim and all issues are left open to be decided by the competent authority.

8. With the above directions, the writ petition stands allowed. No costs. Consequently, the connected miscellaneous petitions are closed.

03.07.2026

NCC : Yes / No
Index : Yes / No
Internet : Yes
PKN



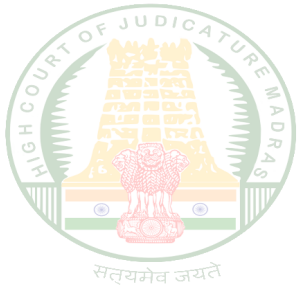
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M.DHANDAPANI,J.

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**ORDER MADE IN
W.P(MD)No.25714 of 2022**

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