



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 28.08.2025

CORAM

THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR

W.P.(MD)No.23326 of 2025

and

W.M.P(MD)Nos.18329 & 18331 of 2025

M/s Dhan Foundation,
1-A, Vaithiyanathapuram,
East Kennet Cross Road,
Madurai - 625 016.

...Petitioner

Vs

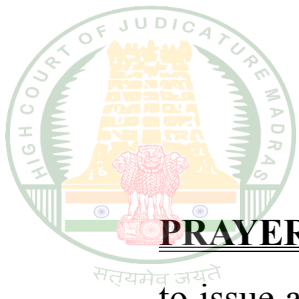
1.The Regional Director,
Employees State Insurance Corporation Regional Office,
143, Sterling Road,
Nangambakkam,
Chennai - 600 034.

2.The Deputy Director/Authorised Officer,
Employees State Insurance Corporation Regional Office,
2nd West Street, K.K.Nagar,
Madurai - 625 020.

3.The Recovery Officer,
Office of the Recovery Officer,
ESI Corporation,
2nd West Street, K.K.Nagar,
Madurai - 625 020.

4.The Bank Manager,
Canara Bank-Madurai Grand Central,
P.B.No.197, 118-B, West Perumal Maistry Street,
Madurai - 625 001.

...Respondents



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PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a **Writ of Certiorarified Mandamus** calling for the records pertaining to the impugned Garnishee order dated 22.08.2025, issued by the 3rd respondent and quash the same and to direct 2nd and 3rd respondents to restore status quo ante by refunding the arbitrarily recovered amount of Rs.4,08,53,105/-(Rupees Four Crores Eight Lakhs Fifty Three Thousand One Hundred and Five Only) to the account of the petitioner maintained with the 4th respondent Bank.

For Petitioner : Mr.Sarath Madhav

For Respondents : Mr.N.Dilip Kumar
Standing Counsel for R1 to R3
Mr.V.Balasubramanian
Standing Counsel for R4

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ORDER

The present Writ Petition has been filed by an employer challenging the recovery proceedings under Section 45G of the E.S.I. Act.

2.The petitioner herein has suffered an order under Section 45-A of the E.S.I. Act and the same has been put to challenge before the Labour Court, Madurai, in E.S.I. O.P.No.22 of 2018. The Labour Court has granted an order of interim stay in I.A.No.211 of 2017, on condition to deposit a sum of Rs. 15,07,000/-. This order has been complied with. The E.S.I. O.P. is pending from the year 2018, onwards. On the ground that the Counsel for the petitioner has



not appeared for several hearings, E.S.I. O.P. was dismissed as default on 21.08.2025. Immediately, on the next day, the present impugned garnishee order has been passed under Section 45-G of the E.S.I. Act. Pursuant to the said order, a sum of Rs.4,08,53,105/- has been recovered from the petitioner Bank account maintained in the fourth respondent Bank. Challenging the said garnishee order, the present Writ Petition has been filed.

3. When the Writ Petition came up for admission, recovery has already been effected. According to the learned Counsel appearing for the Writ Petitioner, a restoration petition was filed before the E.S.I. Court, Madurai, on the next day, itself, namely, 22.08.2025. Without giving any opportunity to the petitioner foundation, the present order has been passed. According to him, they could not disburse their salary for the month of August and September 2025 and he seeks refund of their Rs.2,00,00,000/- to the Management due to the financial position of the petitioner foundation.

4. Per contra, the learned Standing Counsel appearing for the respondents has submitted that the said amount is due from the year 2018 onwards. Since the Counsel has not appeared before the E.S.I. Court, the Court was constrained to dismiss the same for default. Since the order under Section 45-A, has been



confirmed, the authorities have proceeded to issue garnishee order and therefore, the said order cannot be found fault with.

5.The learned Counsel appearing for the respondents has further submitted that since the amount that is due from the petitioner foundation, has been recovered, as per the statutory provision, the request for refund of the amount would not arise. He has further submitted that E.S.I. OP. could be restored and may be disposed of at the earliest. He has further submitted that the recovery would not affect the financial position of the petitioner foundation in view of the fact that already they are having a sum of Rs.20,00,00,000/- in other bank account.

6.I have considered the submissions made on either side and perused the materials available on record.

7.The E.S.I. O.P. filed by the petitioner foundation has been dismissed for default on 21.08.2025. The present garnishee order has been issued and a sum of Rs.4,08,53,105/- has been recovered from the petitioner bank account. It is also brought to the notice of the Court that the petitioner has filed an application for restoration of E.S.I. O.P. on 25.08.2025 itself.



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8. Considering the above said facts, this Court has passed the following orders:-

a) The E.S.I./Labour Court, Madurai, is directed to restore E.S.I. O.P.No. 22 of 2018, to its file and dispose of the same on or before 31.10.2025; and

b) The third respondent is directed to refund a sum of Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs only) within a period of 10 days from the date of receipt of a copy of this order.

9. With the above said observations, this Writ Petition stands disposed of. No costs. Consequently, connected Writ Miscellaneous Petitions are also closed.

28.08.2025

NCC : Yes/No
Index : Yes/No
Internet: Yes/No
RJR



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To

1.The Presiding Officer,
E.S.I./Labour Court, Madurai.

2.The Regional Director,
Employees State Insurance Corporation Regional Office,
143, Sterling Road,
Nangambakkam,
Chennai – 600 034.

3.The Deputy Director/Authorised Officer,
Employees State Insurance Corporation Regional Office,
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R.VIJAYAKUMAR, J.

RJR

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