APHC010543872026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)

TUESDAY, THE 13th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE HARINATH.N

WRIT PETITION NO: 29843 OF 2026

Between:

1. M/s. Sri Balaji Electrical and Engineering Works, Rep. by its Proprietor, K. Hari Rama Krishna, S/o. Gurumurthi, Aged about 44 years, Plot No. 193, Pharma City Colony, Lemarthi Agraharam, Aganampudi, Visakhapatnam 530046, Andhra Pradesh.

...Petitioner

AND

1. Employees State Insurance Corporation, Represented by its Deputy Director, Sub-Regional Office, D.No.45-57-21/1, MR House, Narasimhanagar, Akkayyapalem, Visakhapatnam 530024, Andhra Pradesh.

2. The Assistant Director, Employees' State Insurance Corporation, Sub-Regional Office, D.No.45-57-21/1, MR House, Narasimhanagar, Akkayyapalem, Visakhapatnam 530024, Andhra Pradesh.

3. The Recovery Officer, Employees' State Insurance Corporation, Sub-Regional Office, D.No.45-57-21/1, MR House, Narasimhanagar, Akkayyapalem, Visakhapatnam 530024, Andhra Pradesh.

4. The Federal Bank, Rep. by its Branch Manager, Anakapalli, Visakhapatnam District.

...Respondents

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased topleased to issue an appropriate Writ, Order or Direction, more particularly one in the nature of Writ of Mandamus, declaring the action of the Respondents in issuing orders under Section 45A of ESI Act,1948 vide order No.AP/SRONSP/INS/70-00-052381 000-0699/195, dated 13.11.2024, demanding a sum of Rs.5,84,430/- for the period from 10/2019 to 04/2024 and consequential orders of the 3rd Respondent by de-freezing the Bank Account of the Petitioner vide proceedings No 70Q/70000523810000699, dated 18.09.2026 for Rs.9,19,741/- including recovery cost and further interest calculated up to 17.09.2026 without giving an opportunity of hearing is illegal, bad in law and set aside the same and consequently direct the respondents not to take any coercive steps pursuant to the orders of the 3rd Respondent in freezing bank account of the Petitioner vide No 70Q/70000523810000699, dated 18.09.2026 and pass

IA NO: 1 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased pleased to stay of all further proceedings issued under sec 45A of the ESI Act vide order No.AP/SRO/VSP/INS/70-00-052381-000-0699/195, dated 13.11.2024, by directing the Respondents not to take coercive steps including the freezing of bank account of the petitioner with the 4th respondent vide proceedings No 70Q/70000523810000699, dated 18.09.2026 and pass

Counsel for the Petitioner: T BALAJI

Counsel for the Respondents:

The Court made the following order:

1. Learned counsel appearing for the petitioner submits that the petitioner is aggrieved by the action of the respondent authorities in passing the Order dated 13.11.2024 under section 45A of the Employees State Insurance act, 1948. It is submitted that the petitioner was earlier conducting business under the name Sri Balaji Electrical and Engineering works for a period of one and a half year and thereafter, shutdown the said activity.

2. It is submitted that the respondent No.2 had passed an Order dated 13.11.2024 under section 45A of this Act calling upon the petitioner to pay an amount of Rs.5,84,430/- which is determined as the contribution from the petitioner's end. It is submitted that while passing the said order, the petitioner was not issued any notice as the petitioner was no longer operating from the address to which the alleged notices were sent. It is submitted that the petitioner is now presently working as an employee in a private company and drawing a salary for the survival.

3. It is submitted that the respondents have now resorted to attaching the bank account of the petitioner maintained with the respondent No.4 bank vide order dated 18.09 2026. The respondent No.3 has determined that the petitioner is now liable for payment of Rs.9,19,741/- and as such has sought an attachment of the account of the petitioner has been ordered. By virtue of these proceedings, the respondent No.4 is now appropriating the salary credited to the petitioner's account.

4. Learned Standing Counsel appearing for the respondent Nos.1, 2 and 3 submits that the order dated 13.11.2024 would indicate that notice was addressed to the establishment to the employers address as well and that the employer did not appear for personal hearing on 09.07.2024 and also not submitted any statement and contribution payable as per their records. As such, the principal employer was found to have failed to comply with the statutory requirements and as such, the contribution for the period, June 2019 to April 2024 was determined at Rs.6,33,576/- and after detailed calculation it was arrived at Rs.5,84,430/-.

5. In reply, the learned counsel appearing for the petitioner submits that there is no basis for the calculation arrived at by the respondents, as the order also indicates that there are no records available for the respondent No.2 to determine the liability.

6. Heard, Sri S. Bhaskar learned counsel representing Sri S. Siva Kumari, learned counsel for the petitioner and the Learned Standing Counsel for respondent Nos.1, 2, 3 and 4.

7. The impugned order dated 13.11.2024 and the subsequent order dated 18.09.2026 would have to be set aside for the following reasons:

(i) The impugned order dated 13.11.2024 would indicate that the petitioner has not appeared and submitted his explanation for the show cause notices. In absence of any material, the respondent No.2 would not have

arrived at the calculation without any basis for determining the employees' contribution.

(ii) It is also relevant to note that when the petitioner had shutdown the business, notices could not have been served at the said addresses, as the business was closed down in the year 2018 itself. As such, notices which were addressed in the year 2023 and 2024 could not have been served on the address which was no longer used for the said business under the said name since 2018 itself. Now, the subsequent proceedings dated 18.09.2026 are issued, squarely placing reliance on the earlier proceeding dated 13.11.2024 thereby attaching the petitioner's bank account maintainable with the respondent No.4 would also be set aside.

(iii) The respondent Nos.1, 2 and 3 shall be at liberty to initiate fresh appropriate proceedings after giving an ample opportunity to the petitioner and duly taking into consideration the explanation submitted by the petitioner.

8. With these observations, the impugned proceedings dated 13.11.2024 and the subsequent proceedings dated 18.09.2026 are hereby set aside.

9. Accordingly, the Writ Petition is disposed of. There shall be no order as to costs.

As a sequel, pending miscellaneous petitions, if any, shall stand closed.

JUSTICE HARINATH.N

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