



W.P.(MD)No.29437 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 18.06.2026

CORAM

THE HONOURABLE MR.JUSTICE **HEMANT CHANDANGOUDAR**

W.P.(MD)No.29437 of 2025

M/s.CSI Kanyakumari Diocese,
Rep by its Treasurer Dr.M.Jeyahar Joseph,
No. 71 A, Dennis Street,
Nagercoil - 629 001.

... Petitioner

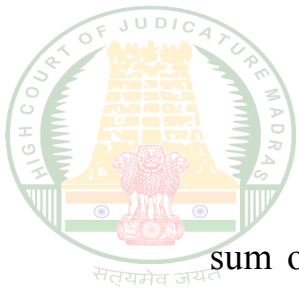
vs.

1.The Recovery Officer,
Employees State Insurance Corporation,
Office of the Recovery Office,
Sub Regional Office, Panchdeep Bhavan
ESIC Complex, Salai Street,
Vannarpettai, Tirunelveli – 627 003.

2.The Management,
CSI Public Matric Hr Sec School,
Azhagimandapam,
Mulagumoodu Post,
Kanyakumari - 629 167.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorarified Mandamus, to call for the records relating to the impugned order passed by the 1st respondent in No.66000409250001302/RRC/SRO/TLI dated 16.07.2025 and quash the same as illegal and consequently, to direct the 1st respondent to refund the



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sum of Rs.41,77,305/- illegally recovered from its bank account along with interest within the period that may be stipulated by this Court.

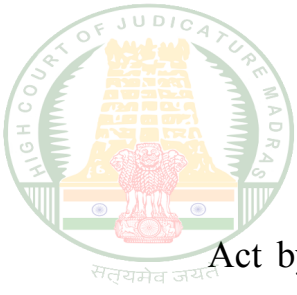
For Petitioner :Mr.M.Jerin Mathew
For R1 :Mr.R.Ravikumar
For R2 :Ms.S.Aadhirai

ORDER

The petitioner challenges the order dated 16.07.2025 passed by the first respondent, whereby the Branch Manager, Tamilnad Mercantile Bank, Nagercoil Branch, Kanniyakumari District, was directed to transfer a sum of Rs.41,77,305/- from the petitioner's bank account.

2. The first respondent initiated proceedings under Section 45A of the Employees' State Insurance Act, 1948, on the ground that the second respondent had failed to remit ESI contributions in respect of its employees for the period from 2012 to 2022. In the said proceedings, it was determined that the second respondent was liable to pay a sum of Rs. 41,77,305/-.

3. Thereafter, proceedings were initiated under Section 45G of the



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Act by issuing a garnishee notice. According to the first respondent, a notice was issued to the second respondent with a copy marked to the petitioner, treating the petitioner as the principal employer of the second respondent and therefore liable to pay the said amount. Pursuant to the impugned order, the Branch Manager, Tamilnad Mercantile Bank, Nagercoil Branch, transferred the said amount to the first respondent.

4. In the counter affidavit, the first respondent has stated that CSI Public Matric Higher Secondary School is an establishment covered under the ESI Act and is in default of payment of contribution, interest and penalty for the period from July 2012 to May 2022. According to the first respondent, the school is owned by the Church of South India Trust Association, namely the petitioner. It is further stated that the bank account was opened using the PAN of the Church of South India Trust Association and, therefore, the garnishee order dated 16.07.2025 was validly issued.

5. The learned counsel for the petitioner, however, contended that the petitioner has its own PAN number and is not using the PAN assigned



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to the second respondent.

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6. This Court has carefully considered the submissions made on either side and perused the materials available on record.

7. A reading of the impugned order shows that no reasons have been assigned for arriving at the conclusion that the petitioner is the principal employer of the second respondent. Merely because a copy of the notice issued to the second respondent was marked to the petitioner, and the petitioner did not submit objections, the first respondent was still required to examine the available records and record reasons for concluding that the petitioner was the principal employer. Since the impugned order does not disclose any such reasons, it cannot be regarded as a speaking order and is therefore liable to be set aside.

8. Accordingly, the writ petition is allowed and the impugned order dated 16.07.2025 is set aside. The petitioner is permitted to file objections to the garnishee notice dated 25.07.2025 within a period of four weeks from today. Upon receipt of such objections, the first



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respondent shall consider the same and pass appropriate orders in accordance with law within a further period of four (4) weeks.

9. The amount already recovered from the petitioner shall be subject to the outcome of the order to be passed by the first respondent. It is also open to the first respondent to issue notice to the Church of South India Trust Association, if considered necessary, before passing fresh orders.

10. There shall be no order as to costs.

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

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HEMANT CHANDANGOUDAR, J.

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