

In the Court of Principal District Judge, Kanyakumari District  
at Nagercoil.

Present : Thiru B. Karthikeyan, B.L.,  
Principal District Judge.

Monday the 23<sup>rd</sup> day of March, 2026.

**I.A. No. 2/2025 in O.S. No. 233/2025**

State Bank of India,

Mahendragiri Branch,

Kavalkinaru,

represented by its Branch Manager

.. Petitioner/Plaintiff

/Vs./

1. The Chairman,

M/s Satyam College of Engineering & Technology,  
Aralvoimozhi.

2. The Principal,

M/s Satyam College of Engineering & Technology,  
Aralvoimozhi.

3. Athisaya Raja,

Secretary and Managing Trustee of  
M/s Satyam Educational Trust.

4. Kanimozhi Rethnaswamy,  
Trustee of M/s Satyam Educational Trust.
5. A. Thanalakshmi,  
Trustee of M/s Satyam Educational Trust.
6. Thinagar Athisaya Raja,  
Managing Trustee of M/s Satyam Educational Trust.

.. Respondents/Defendants 1 to 6

This petition is coming on 16.03.2026 for final hearing before me in the presence of ,

Thiru N. Chithambarathanu Pillai .. Advocate for the petitioner

Thiru D. Arulmaran .. Advocate for the respondents

and upon hearing the arguments of both sides and upon perusing the materials available on record and having stood over for consideration till this day, this court delivered the following :-

### **ORDER**

This petition has been filed seeking conditional attachment of the petition schedule properties and also to direct the respondents to furnish security atleast worth of Rs.22,00,000/- for the realisation of the decree amount that may be passed in favour of the petitioner/plaintiff.

2. The petitioner has filed the suit against the defendants 1 to 6 to recover a sum of Rs.20,56,761/- together with interest at the rate of 9% per annum from the date of filing of the suit till the date of realisation. The claim of the petitioner is that the defendants 1 to 6 are the employers of the M/s Satyam College of Engineering & Technology, Aralvoimozhi and that the said institution is an establishment covered under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The employers namely 1 to 6 are bound to remit the dues ordered under sub section 3 of Section 8F of the Act. The defendants 1 to 6 failed to remit the dues under Section 7A of the said Act for Rs.53,81,621/-. The 7<sup>th</sup> defendant being the authorised officer under the Act issued a notice to the defendants 1 to 6 and the plaintiff Bank, dated: 05.02.2025. As the defendants 1 to 6 failed to remit the statutory dues, the 7<sup>th</sup> defendant also issued the order to recover the outstanding dues u/s 7A of the EPF&MP Act, by way of attaching the the Bank accounts held with the plaintiff bank. The letter directing attachment u/s 8F of EPF&MO Act, 1952, dated 05.02.2025 was issued to the plaintiff Bank, wherein it has been ordered to transfer a sum of Rs.53,81,621/- or such sum standing to the credit of the defendants 1 to 6, the defaulters, including any fixed deposits or the deposits that may be

standing to the order of establishment/persons including the deposits made subsequent to that order until the above mentioned arrears are fully remitted by the said institution. It has also been stated that by virtue of the provisions contained in Sec. 11(2) of the Act, the amount so due shall be deemed to be first charge on the assets of the establishment or be paid in priority to all other debits. The notice specifically directed to attach the following accounts :-

- i) The Chairman, M/s Satyam College of Engineering & Technology  
– 1<sup>st</sup> Defendant
- ii). The Principal, M/s Satyam College of Engineering & Technology  
– 2<sup>nd</sup> Defendant
- iii) Accounts bearing PAN No. AEZPT7531A as KYC
- iv) M/s Satyam Educational Trust
- v) Mr. Thinagar Athisaya Raja, Chairman of M/s Satyam College of Engineering & Technology and Managing Trustee of M/s Educational Trust.
- vi) Mrs. Kanimozhi Rethnaswamy, W/o Mr. Thinagar, Trustee of M/s Satyam Educational Trust.
- vii) Account No. 40662417693 of Mrs. Kanimozhi Rethnaswamy
- viii) Prof. T. Athisaya Raja, Secretary cum Correspondent of M/s Satyam Educational Trust, father of Mr. Thinagar Athisaya Raja.

ix) Mrs. A. Thanalakshmi, W/o Mr. Athisayaraj, Trustee of M/s Satyam Educational Trust.

The plaintiff did not have any account maintained with branch in the name of M/s Satyam College of Engineering & Technology except the account of Mr. Thinagar Athisaya Raja, Account No. 40662385295 and Mrs. Kanimozhi Rethnaswamy, Account No. 40662417693. The plaintiff Bank placed hold on Account No. 40662385295 based on PAN and on account No. 40662417693 on 07.02.2025. But due to technical issue, hold was not placed for the account of Mrs. Kanimozhi Rethnaswamy bearing Account No. 40662417693. The 7<sup>th</sup> defendant again issued a show cause notice dated: 26.02.2025 for not repaying the prior notice dated 05.02.2025 and proposed that the plaintiff Bank be treated as deemed defaulter under Sec. 8F(3)(x) of the Act for the failure to comply with the contents of the attachment order dated 05.02.2025. Further the 7<sup>th</sup> defendant called for the statement of accounts in respect of Account Nos. 40662385295 and 40662417693 for the period from 01.04.2024 to till ate. The plaintiff Bank also received a show cause notice dated 26.02.2025 issued by the 7<sup>th</sup> defendant. The plaintiff Bank submitted an explanation vide letter dated: 26.03.2025, the 7<sup>th</sup> defendant explaining the technical issue which led to the

failure to place hold on the account No.40662417693 of Mrs. Kanimozhi Rethnaswamy and immediately placed hold for appropriate amount as per the show cause notice, along with the Bank statement of the accounts as requested by the 7<sup>th</sup> defendant. Further the plaintiff bank remitted Rs.14,549/- vide DD No. 642330 dated 17.03.2025 from account No. 40662417693. The 7<sup>th</sup> defendant after perusing the bank statement of Mrs. Kanimozhi Rethnaswamy, the 4<sup>th</sup> defendant in Account No.40662417693 observed and found that debit transactions amounting Rs.19,21,857.20 Ps had taken place between 07.02.2025 and 17.03.2025, subsequent to the receipt of the bank attachment order. The 7<sup>th</sup> defendant considered that a blatant violation of attachment order issued under Sec. 8F of the EPF and Miscellaneous Provision Act, 1952 as the plaintiff bank alleged to have allowed debit transaction not responding to the original attachment order dated: 05.02.2025, followed by deemed defaulter notice dated 26.02.2025, thereby failing to honour in letter and spirit. The 7<sup>th</sup> defendant declared the plaintiff State Bank of India, Mahendragiri Branch deemed defaulter in terms of Sec. 8F (3) (x) of EPF and Miscellaneous Provision Act of 1952 and required the Bank to remit the aforesaid amount within 15 days of receipt of the letter dated 02.04.2025. Thereafter, the 7<sup>th</sup> defendant in

exercise of powers conferred under Sec. 8F (3) (i) of the Act, passed an order directing the plaintiff's Bank to remit an amount of Rs.20,50,761/-. The letter dated: 02.04.2025 addressed to the plaintiff bank. On 22.04.2025, the plaintiff's Bank issued a letter to the 4<sup>th</sup> defendant Kanimozhi Rethnaswamy, one of the Trustee, from whose account credit transactions were made. The plaintiff's Bank informed that on 22.04.2025 the Reserve Bank of India has debited Rs.20,56,761/- from the branch account of the plaintiff bank. The 4<sup>th</sup> defendant called upon to remit the said amount of Rs.20,50,761/- at the plaintiff bank immediately. The defendants were also duly informed through the 4<sup>th</sup> defendant, the Trustee of M/s Satyam Educational Trust by way of legal notice dated: 03.05.2025, they had called upon to repay the said sum within a period of 7 days. But the defendants failed to settle the money. Claiming thus, suit has been filed.

3. On the same allegations, the present petition has been filed stating further that the plaintiff is entitled to charge over the properties of the defendants 1 to 6. It would also be stated that the plaintiff reasonably apprehends that the defendants may further encumber the properties in the schedule and thereby create difficulties in executing the decree passed by

this court. Claiming thus, the present petition has been filed.

4. The counter statement filed by the respondents 1 and 6 which was adopted by the respondents 2 to 5 in and by which it would be contended that the present petition is not maintainable. It would be claimed that the powers under O.XXXVIII Rule 5 is extraordinary and drastic in nature and must be exercised sparingly and only when the petitioner/plaintiff demonstrates with cogent materials, that the respondent is attempting to dispose of or remove property with intent to defeat execution of a possible decree. It cannot be invoked as a means to secure an unsecured debt. The order of attachment before Judgment cannot be permitted as a lever for coercing the respondent into settlement of doubtful or disputed claim. The plaintiff's case is wholly misconceived. The Reserve Bank of India imposed a penalty on the petitioner's bank for its own failure to comply with PF Authorities and not on account of any act of respondent. The respondents have no contractual or statutory obligation to indemnify the petitioner for such penalty. There is no privity of contract between the petitioner and the respondents for such recovery. The bank cannot shift statutory or penal liability to the customer without any contract. No evidence has been placed

that these respondents attempted to alienate, dispose of or secure properties with fraudulent intent. Mere apprehension or bald allegations is insufficient to invoke O.XXXVIII R.5 CPC. The respondents are running reputed educational institution for the past several years, imparting higher education to 1000 of students. The institution owns substantial immovable properties both in the name of the institution and in the name of its trustees. The suggestion that the defendants are about to dispose of the whole or any part of their properties with fraudulent intent is wholly unfounded and untenable. It would be further claimed that the respondents have already approached the Hon'ble High Court in writ proceeding and has been permitted to discharge PF dues in instalments. Substantial payment have already been made and the respondents are continuing to comply with such direction. The present application is only to pressurize the respondents into out of court settlement under the threat of attachment, merely because a suit is pending. Contending thus, they would seek the dismissal of the present petition.

5. Heard both. Perused the materials on record.

6. **The point for consideration that arises in the present petition is :-**

- (i) Whether the present petition deserves to be allowed ?

7. **Points for consideration :-**

At the outset, it would be necessary to point out that the respondents have not disputed the fact that there was a demand notice by the 7<sup>th</sup> respondent alleging that the respondents 1 to 6 are defaulters under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Similarly, they have not disputed the fact that the petitioner has failed to put hold on the account No.40662417693 of the 4<sup>th</sup> respondent, even though there is an order of attachment by the 7<sup>th</sup> respondent. The claim of the petitioner is that it was on account of technical issue has also not been disputed. The only contention of the respondents is that there is no privity of contract and therefore, they cannot be made liable for the penalty imposed on the petitioner.

8. The claims made by the petitioner about the notices issued by the 7<sup>th</sup> respondent seeking for a hold on the bank accounts of the

respondents 1 to 6 and the failure of the petitioner to put a hold on the account No.40662417693 of the 4<sup>th</sup> defendant on account of technical issue has also been evidenced by the Ext.P.1 to Ext.P.15 marked on the side of the petitioner.

9. The petitioner has also produced a letter dated: addressed to the 7<sup>th</sup> respondent to the petitioner/plaintiff to the effect that the amount of Rs.20,56,761/- recovered from the petitioner bank, through Reserve Bank of India has been adjusted towards the liability of the defendants 1 to 6. In other words, there is a prima facie evidence to the effect that by virtue of the recovery of money by the 7<sup>th</sup> respondent from the petitioner, it is the 7<sup>th</sup> respondent who has gained as the said amount has been used to reduce the respondents' liability to the 7<sup>th</sup> respondent. Therefore, equity demands that the respondent 1 to 6 repay the said amount to the petitioner.

10. Insofar as the claim of the petitioner that this is not a case where the stringent provision in O.XXXVIII Rule 5 can be invoked and that there is no material to show that the respondents might remove the property

from the jurisdiction of this court are all concerned, the very fact that there is a demand by the statutory authority such as PF Authorities holding that the respondents 1 to 6 have defaulted in payment of P.F. dues supports the argument of the petitioner that there is an imminent danger of such eventuality. In a case of the present nature, this court is of the view that no further evidence is required for invoking the extraordinary powers under O.XXXVIII R.5 CPC. As such, this court is of the view that the present petition deserves to be allowed.

11. In the result, this petition is allowed and the respondents 1 to 6 are directed to furnish security for the suit claim of Rs.20,56,761/- within a period of 15 days from the date of order failing which that shall be an order of attachment before Judgment of the petition mentioned properties. Notice to furnish security by 08.04.2026.

Dictated to the Steno-typist, transcribed and typed by her, corrected and pronounced by me in open court, this the 23<sup>rd</sup> day of March, 2026.

Sd/-B. Karthikeyan  
Principal District Judge,  
Kanniyakumari at Nagercoil.

**Witness examined on the side of petitioner :-**

NIL

**Witness examined on the side of respondents :-**

NIL

**Exhibits marked on the side of petitioner :-**

Sl.No.	Date	Description of document
Ext.P.1.	05.02.2025	Notice issued by the 7 <sup>th</sup> defendant to plaintiff Bank.
Ext.P.2.	26.02.2025	Deemed defaulter notice issued by 7 <sup>th</sup> defendant to plaintiff bank.
Ext.P.3.	26.03.2025	Reply notice with statement of accounts sent by plaintiff bank to the 7 <sup>th</sup> defendant.
Ext.P.4.	22.04.2025	Letter to 4 <sup>th</sup> defendant by plaintiff Bank.
Ext.P.5.	03.05.2025	Legal notice issued to 1 <sup>st</sup> and 4 <sup>th</sup> defendant.
Ext.P.6.	08.05.2025	Postal acknowledgment issued by 1 <sup>st</sup> and 4 <sup>th</sup> defendants (2 Nos.)
Ext.P.7.	04.11.2019	Certified copy of sale deed No.2677/2019 executed by one Subramanian in favour of Kanimozhi.
Ext.P.8.	29.01.2025	Certified copy of gift deed No.304/2025 executed by one Kanimozhi in favour of Sree Sathyam Education Trust, rep. by Kanimozhi.

Ext.P.9.	29.01.2025	Certified copy of sale deed document No.305/2025 executed by S.Duraimuthu in favour of Sree Sathyam Educational Trust, rep. by Kanimozhi.
Ext.P.10.	26.06.2025	Encumbrance certificate for survey No.2035/3C1 of North Valliyoor part II Village
Ext.P.11.	26.06.2025	Encumbrance certificate for survey No.2023/3A of North Valliyoor part II Village.
Ext.P.12.	06.06.2026	Patta No.2900 for Sy.No. 2035/3C1B of Kanimozhi.
Ext.P.13.	06.06.2025	Patta No.3786 for Sy. No. 2023/3A2 of M/s Sree Sathyam Educational Trust.
Ext.P.14.	27.06.2025	Patta No.217 for Sy. No. 2035/3C1D of M/s Sree Sathyam Educational Trust.
Ext.P.15.		Letter through e-mail with attachment order.

**Exhibits marked on the side of respondents :-**

NIL

Sd/-B. Karthikeyan  
P.D.J.

Principal District Court,  
Nagercoil.  
Fair Order in  
I.A. No.2/2025 in  
O.S. No. 233/2025  
Dt.: 23.03.2026.