



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 17.04.2021

CORAM:

THE HONOURABLE MS.JUSTICE V.M.VELUMANI

W.P(MD)Nos.7839 & 7842 of 2021

and

W.M.P(MD)Nos.5973 & 5977 of 2021

WEB COPY

M/s.Sri Ramalinga Mills Limited, "B" Unit,
1, Sayalgudi Road, Savvaspuram Village,
Kulasekaranallur, Ramasamy Nagar,
Aruppukottai - 626 105,
Virudhunagar District,
Rep. by its General Manager. ... Petitioner in both W.Ps'

vs.

Regional Provident Fund Commissioner - II,
Employees Provident Fund Organization,
Regional Office,
Lady Doak College Road,
Chokkikulam,
Madurai - 625 002. ... Respondent in both W.Ps'

Prayer in W.P(MD)No.7839 of 2021:- Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus, calling for the records relating to the impugned order passed by the respondent in his proceedings No.TN/RO/MDU/37930/M-6/PDC/SPL/7Q, dated 16.02.2021 and quash the same as illegal and consequently direct the respondent to accept the payment of demanded interest amount of Rs.8,31,418/- in 20 monthly installments.

Prayer in W.P(MD)No.7842 of 2021:- Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus, calling for the records relating to the impugned order passed by the respondent in his proceedings No.TN/RO/MDU/37930/M-6/PDC/7Q/2021, dated 09.03.2021 and quash the same as illegal and consequently direct the respondent to accept the payment of demanded interest amount of Rs.14,41,167/- in 30 monthly installments.

For Petitioner : Mr.M.E.Ilango
(In both W.Ps')

For Respondent : Mr.A.John Xavier
(In both W.Ps')



COMMON ORDER

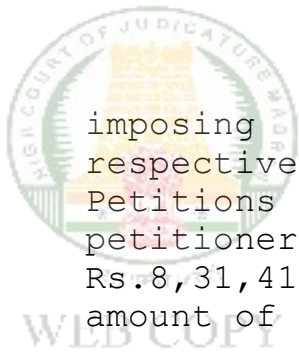
These Writ Petitions are filed seeking for Writs of Certiorarified Mandamus, calling for the records relating to the impugned orders passed by the respondent in his proceedings Nos.TN/RO/MDU/37930/M-6/PDC/SPL/7Q, dated 16.02.2021 and TN/RO/MDU/37930/M-6/PDC/7Q/2021, dated 09.03.2021 respectively and quash the same and consequently directing the respondent to accept the payment of demanded interest amount of Rs.8,31,418/- in 20 monthly installments and another demanded interest amount of Rs.14,41,167/- in 30 monthly installments.

2.Mr.A.John Xavier, learned counsel accepts notice on behalf of the respondent.

3.By consent of both parties, these Writ Petitions are taken up for final disposal at the stage of admission itself.

4.The learned counsel appearing for the petitioner submitted that the petitioner is a Private Limited Company incorporated under the Companies Act, 1956 and running Textile Mill. It employs 480 workmen under various categories and all the eligible employees are covered under the EPF scheme and its provisions. The petitioner-Mill manufactures cotton and blended yarn. Due to continued slump in Textile Industry and depressed conditions in the market, the petitioner-Mill has incurred heavy loss of Rs.10,71,39,083/- during the accounting year 2017-18 and a sum of Rs.10,56,362/- during the accounting year 2018-19 and found difficult to survive on its own fund.

5.The learned counsel appearing for the petitioner further submitted that due to the financial crisis and loss in the business, the petitioner could not remit the EPF contribution on the due dates and fell into arrears for the period from 06/2017 to 02/2019 and for the period from 04/2016 to 01/2018 respectively. Subsequently, the petitioner remitted all the contributions, but remitted belatedly for the above said periods. The respondent issued notices, dated 27.08.2019 and 30.10.2019, directing the petitioner to give an explanation as to why the interest amounting to Rs.8,31,418/- and Rs.14,41,167/- under Section 7Q of the EPF Act and the damages amounting to Rs.16,62,485/- and Rs.29,85,365/- under Section 14-B of the Act respectively, should not be levied. After receipt of the said notices from the respondent, the petitioner's representative appeared before him on various dates and requested the respondent to waive the damages and accept the interest amount in installments. Without taking into consideration the request of the petitioner, the respondent has passed the impugned orders, dated 16.02.2021 and 09.03.2021 under Section 7Q of the EPF Act,



imposing interest amount of Rs.8,31,418/- and Rs.14,41,167/- respectively. The petitioner has come out with the present Writ Petitions to quash the orders demanding interest and permit the petitioner to pay the interest amount of Rs.8,31,418/- in 20 monthly installments and another interest amount of Rs.14,41,167/- in 30 monthly installments.

6.Heard the learned counsel appearing for the petitioner and the learned counsel appearing for the respondent.

7.Considering the fact that the petitioner has remitted the entire contributions payable under EPF Scheme and the submissions of the learned counsel appearing on either side, without setting aside the impugned orders of the respondent passed under Section 7Q of the EPF Act, the petitioner is permitted to pay the amount of Rs.8,31,418/- in 15 equal monthly installments and another amount of Rs.14,41,167/- in 20 equal monthly installments on every 5th day of English Calendar month starting from 5th May, 2021. The first installment shall commence by making payment on or before 5th May, 2021 and if the petitioner commits default of any two installments, the entire amounts would become due immediately and the respondent is entitled to recover the balance amount, as per the procedure contemplated under the EPF Act.

8.With the above directions, these Writ Petitions are disposed of. No costs. Consequently, connected Miscellaneous Petitions are closed.

Sd/-

Assistant Registrar(CS-I)

// True Copy //

/ /2021

Sub Assistant Registrar(CS)

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Note :

In view of the present lock down owing to COVID-19 pandemic, a web copy of the order may be utilized for official purposes, but, ensuring that the copy of the order that is presented is the correct copy, shall be the responsibility of the advocate / litigant concerned.



To

Regional Provident Fund Commissioner - II,
Employees Provident Fund Organization,
Regional Office,
Lady Doak College Road,
Chokkikulam,
Madurai - 625 002.

W.P (MD) Nos.7839 & 7842 of 2021
17.04.2021

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