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W.P.No.10221 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.04.2024

CORAM :

THE HONOURABLE **DR. JUSTICE D.NAGARJUN**

W.P.No.10221 of 2024

and

W.M.P.No.11273 of 2024

M/s. The Krishnagiri District Co-operative
Spinning Mills Ltd., S.A.108,
Uthangarai – 635 207.
Krishnagiri District.
Rep. By its Administrator

... Petitioner

Vs.

The Regional Provident Fund Commissioner,
Employees' Provident Fund Organization,
Regional Office,
No.35 A/107 West Link Road,
Co-operative Colony,
Krishnagiri – 635 001.

...Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, to issue a writ of mandamus from the file of the respondents herein proceedings bearing No.CB/RO/SLM/PDC/21411/K-I/7Q- Proceedings/2023 dated 31.10.2023 claiming interest amount for the period from 1st April 2020 to 31st March 2022 to the tune of Rs.1,82,57,064/- of which Rs.28,72,241/- had been paid and direct the petitioner to pay the balance 7Q interest amount



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to the tune of Rs.1,53,84,823/- in 60 (Sixty) equal monthly installments.

For petitioner : Ms.G.Manju
for Mr.C.Karthikeyan

For respondent : Mr.P.K.Paneer Selvam
Standing Counsel

ORDER

This writ petition is filed for permitting the petitioner to pay the balance amount of 7Q interest to the tune of Rs.1,53,84,823/- in 60 (Sixty) equal monthly instalments.

2. The petitioner is running a spinning mill registered under the Tamil Nadu Co-Operative Societies Act, 1983, with an objective to provide employment opportunities to the downtrodden people including of 225 Adi-dravidar, 225 Sri Lankan repatriates and 106 persons in other categories. The mill was running in losses for three decades and accumulated losses were estimated at Rs.116.31 crore. It has committed default in remitting the statutory dues of gratuity, P.F.and others. In order to overcome the financial crisis the mill submitted a proposal seeking financial assistance for the



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settlement of gratuity and PF amount to the retired employees and also to settle the dues to the town panchayat to be paid towards property and professional tax.

3. The provident fund commissioner has conducted an enquiry under Section 7 Q of the EPF Act and issued proceedings dated 10.11.2023 holding that for the period from 1st April 2020 to 31st March 2022 the petitioner mill has to pay Rs.1,82,57,064/- towards the interest. Th petitioner though has paid part of the amount the respondent has been pressurizing the petitioner to pay the 7 Q interest completely. The petitioner however has been paying the contribution by procuring loans from the Government.

4. While so, the petitioner gave a representation to the respondent to permit to remit the balance 7 Q interest due for the period from 01.04.2020 to 31.03.2022 in easy monthly instalments, but the respondent has refused to grant instalments on the ground that the amount involved in this case exceeds Rs.50,00,000/-.

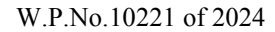


5. It is submitted by the learned counsel for the petitioner that the petitioner mill is running in losses and that it has been borrowing loans even to pay statutory dues and sought for grant of instalments.

6. It is submitted by the learned counsel for the respondents that the respondent is giving interest at the rate of 8.5% to the employees and non payment of interest by the petitioner has created lot of financial burden on the respondent.

6. Heard both sides and perused the record.

7. In view of the submissions made by both sides and on considering the documents placed before this Court, there is no dispute in the quantum of amount to be paid by the petitioner mill to the respondent Commissioner. Considering the fact that the financial condition of the petitioner mill is very weak and running in losses and that the petitioner mill is bound to pay statutory dues under Section 7 Q of the EPF Act, this Court is inclined to consider the petitioner request to permit the petitioner mill to pay



8. Accordingly, this writ petition is disposed of directing the petitioner mill to pay the balance amount to a tune of Rs.1,53,84,823/- in eight equal instalments. The first instalment shall start from 15th of May 2024. Subsequently, on or before of 15th every month the petitioner mill has to pay the balance of instalments until the entire amount of Rs.1,53,84,823/- is cleared. If the petitioner fails to pay any one of the instalments, then the respondent is at liberty to recover the entire balance amount due at once. Connected W.M.P is closed. No costs.

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