IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08-04-2025

CORAM

THE HONOURABLE MR JUSTICE M.DHANDAPANI

WP No. 12622 of 2025
AND
WMP NO. 14208 & 14207 of 2025

1. The Surabi College Of Polytechnic
Rep. by its Principal
M.Gopumadhavan, Namakkal -
Tiruchengode Road, Manikattipudur,
Nallipalayam (po), Namakkal District
Tamil Nadu 637003.

Petitioner(s)

Vs

1. The Assistant PF Commissioner
Epfo Regional Office, Steel Plant Road,
Dalavaipatti, Salem 636302.

Respondent(s)

PRAYER

To call for the records relating to the impugned order passed by the Respondent in his proceedings vide No.CB/RO/SLM/Comp-I/PDC / 96016/S-4 / 14-B Proceedings / 2024 and No.CB/RO/SLM/Comp-I/PDC / 96016/S-4 /7-Q Proceedings / 2024 dated 28.10.2024 and quash the same is illegal.

For Petitioner(s): Mr.R.Ramaguru

For Respondent(s): Mr. P.K. Panneerselvam

ORDER

This writ petition has been filed seeking to quash the impugned order passed by the Respondent in his proceedings vide No.CB/RO/SLM/Comp-I/PDC / 96016/S-4 / 14-B Proceedings / 2024 and No.CB/RO/SLM/Comp-I/PDC / 96016/S-4 /7-Q Proceedings / 2024 dated 28.10.2024.

2. The short facts are that the Principal and Correspondent of Surabi College of Polytechnic states that the institution, covered under the EPF Act, was closed in 2023 due to financial difficulties worsened by the COVID-19 pandemic. Despite participating in an inquiry under Section 7A regarding alleged non-remittance of employee dues from April 2018 to March 2020, an ex parte order was issued, freezing the institution's bank account. Although the principal later paid the assessed dues and the bank account was unfrozen, further proceedings under Sections 7Q and 14B were initiated in 2024 without proper notice or opportunity for defense. These new orders demanded payment of interest and damages totalling over Rs.10 lakhs, which the Principal claims

are unjust, arbitrary and issued without due process. Challenging the said orders, the present writ petition has been filed.

3. The learned counsel for the petitioner submits that though the petitioner paid the entire outstanding dues on 26.10.2023 pursuant to the order passed u/s.7A of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (in short 'the Act'), however, the respondent has passed an ex-parte order seeking a sum of Rs.7,15,511/- as damages against the petitioner dated 28.10.2024 which is *per se* unsustainable. Hence, this Court may reduce the damages imposed by the respondent. The learned counsel for the petitioner submits that the petitioner is ready to pay the interest u/s.7Q of the Act within the time frame that may be fixed by this Court.

4. Per contra learned counsel for the respondent submitted that since the employer failed to pay the PF contributions within the stipulated time, the impugned order u/s.7A was passed. Even assuming that the petitioner had paid the dues u/s.7A as claimed by them, even then the respondent has power to

impose damages for the delay period. He further submits that if at all the petitioner is aggrieved over the interest imposed by the PF Commissioner, he has to approach the appropriate authority by filing a review application, however, without resorting to such remedy, filing the present writ petition cannot be sustained. Hence, the order passed by the respondent needs no interference of this Court.

5. Heard the learned counsel for the petitioner and the learned counsel for the respondent and perused the materials placed on record.

6. In view of the fair submission made by the learned counsel for the petitioner, this Court directs the petitioner

7. Admittedly for non-payment of contribution 7A order has been passed on 17.02.2023. However, it is submitted by the learned counsel for the petitioner that the entire amount has been paid on 26.10.2023 within a period of eight (8) months from the date of passing the said order, for which, imposing 100% damages as against the petitioner is highly excessive. Hence, this Court is

inclined to reduce the damages imposed by the PF Commissioner u/s.14B of the Act by 50%. The order passed u/s.7Q of the Act is not interfered with.

8. In view of the above, the petitioner is directed to pay 50% of the damages i.e.Rs.3,57,755/- along with the interest u/s.7Q imposed by the authority within a period of eight weeks from the date of receipt of a copy of this order. Upon receipt of the said amount, the respondent is directed to close the file put forth as against the petitioner. If the petitioner did not adhere to any of the direction issued by this Court with regard to payment of damages and interest within the above prescribed period, it is open to the respondent to take appropriate action as against the petitioner in the manner known to law.

9. With the above directions and observation, this writ petition is disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

08-04-2025

RAP
Index:Yes/No
Internet:Yes
Neutral Citation:Yes/No

To

1.The Assistant PF Commissioner
EPFO Regional Office, Steel Plant
Road, Dalavaipatti, Salem 636302.

M.DHANDAPANI J.

RAP

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