



WP.(MD)Nos.6162 & 5822 of 2022

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 13.10.2025

CORAM :

THE HON`BLE MR.JUSTICE B.PUGALENDHI

WP.(MD)Nos.6162 & 5822 of 2022
and WMP.(MD)No.4777 of 2022

WP.(MD)No.6162 of 2022

M/s.A.2731, The National Co.Op. Sugar Mills Ltd.,
B.Mettupatty-625 502-Alanganallur
Vadipatty Taluk-Madurai District
Tamil Nadu State
Through its Managing Director

... Petitioner

Vs.

- 1.The Regional Provident Fund Commissioner-II,
Employee's Provident Fund Organization,
Regional Office, Lady Doak College Road,
Chokkikulam,
Madurai-625 002.
Tamil Nadu State.
- 2.The Assistant Provident Fund Commissioner,
Employee's Provident Fund Organization,
Regional Office,
Lady Doak College Road, Chokkikulam,
Madurai-625 002
Tamil Nadu State.



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3.The Recovery Officer,
Employee's Provident Fund Organization,
Regional Office, Lady Doak College Road, Chokkikulam,
Madurai-625 002
Tamil Nadu State.

... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of Writ of Certiorarified Mandamus, to call for the records from the file of the respondents herein in proceedings bearing No.TN/MD/RO/RECY/ M1 /5982 /2022 dated 04.03.2022 and quash the same and direct the respondents not to take any recovery proceedings or coercive action against the petitioner till the disposal of the pending appeal before the Appellate Tribunal in EPFA 89/2020 and EPFA 32/2021 which appealed by the petitioner as per Section 71 of the EPF Act.

For Petitioner : Mr.C.Karthikeyan

For Respondents : Mr.A.John Xavier

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2.The Enforcement Officer,
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Madurai-625 002
Tamil Nadu State.

... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of Writ of Mandamus, from the file of the first respondent herein proceedings bearing No.MD / MDU /PDC/R/MD /MDU/5982/8F/801/2021 dated 16.02.2022 and direct the respondents to refund the recovered amount to the tune of Rs.5,18,486/- with the cost of Rs.50,000/- and direct the respondents not to take coercive action till the disposal of the pending appeal before the Appellate Authority.

COMMON ORDER

The petitioner is a cooperative sugar mills limited. They have filed these writ petitions as against the order of the EPF authority under Section 8F of the Employees' Provident Funds



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and Miscellaneous Provisions Act, 1952 [hereinafter referred as 'the Act'] dated 24.02.2022 and the demand notice dated 04.03.2022.

2.The petitioner/mill has failed to remit the EPF contribution for the period from July 2018 to June 2019 and paid the same belatedly. For this belated payment of EPF contribution, the EPF authority has initiated a proceedings under Section 14B of the Act and passed an order dated 31.12.2021 levying damages of Rs.2,41,026/- and they have also passed another order on the same day under Section 7Q of the Act levying interest for the belated payment as Rs.2,77,460/-. As against this order dated 31.12.2021 passed under Section 14B of the act, the petitioner/mill has preferred an appeal before the appellate tribunal and the same is pending in EPFA.No.32 of 2021.

3.For the belated payment of contribution from April 2018 to March 2019, yet another proceedings was initiated under Section



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14B of the Act and damages was levied to the tune of Rs.9,68,293/- by an order dated 31.12.2019. As against this order, the petitioner/mill has preferred an appeal before the appellate tribunal in EPFA.No.89 of 2020. The tribunal has passed a conditional order of stay directing the petitioner/mill to deposit a sum of Rs.2 Lakhs on or before 25.10.2021. However, the petitioner/mill failed to make the payment, for which, a demand notice dated 04.03.2022 was issued and the same is challenged in WP.(MD)No.6162 of 2022.

4.Since these writ petitions are arising out of the issue between the petitioner/mill and the EPF authority for levying damages under Section 14B of the Act, both the writ petitions are disposed of by this common order.

5.The main contention of the petitioner is that though statutory appeal remedy is available as against the order passed under Section 14B of the Act dated 31.12.2021, even before



statutory period for preferring appeal, the EPF authority has passed an order of recovery under Section 8F of the Act dated 24.02.2022 and a sum of Rs.5,18,486/-lying in the petitioner's Bank account was recovered, pursuant to the order passed under Section 8F of the Act dated 24.02.2022. Therefore, the contention of the petitioner is that this recovery order was issued for the damages levied under Section 14B of the Act and also for the interest under Section 7Q of the Act. According to the learned counsel for the petitioner/mill, portion of the interest amount levied under Section 7Q of the Act, was paid by the petitioner/mill, on 04.02.2022. However, without considering the same, recovery order was issued for recovering this 7Q interest, which was already paid by the petitioner/mill.

6.The learned counsel appearing for the respondents admits that the amount due under Section 7Q of the Act, pursuant to the order dated 31.12.2021, has already been paid by the petitioner / mill. However, even before that, the proceedings was made ready



and the same was sent to the Bank. On coming to know the same, the respondents have also informed the petitioner/mill by a letter dated 14.03.2022 and they have also sought for permission to adjust this amount of Rs.2,77,460/- which has been recovered twice for the interest levied under Section 7Q of the Act or to be refunded back. However, the petitioner/mill has not responded to this letter dated 14.03.2022. Therefore, they have not taken any decision till date. They are prepared to adjust the liability if any from the petitioner/mill or also prepared to return the amount together with interest.

7.This Court has considered the submissions made on either side and perused the available records.

8.The petitioner/mill has challenged the demand notice issued by the EPF authority dated 04.03.2022, pursuant to the conditional interim order granted by the appellate authority in EPFA.No.89 of 2020. The petitioner/mill has challenged yet



another 14B proceedings dated 31.12.2019 before the tribunal wherein the tribunal has passed a conditional interim order directing the petitioner/mill to deposit a sum of Rs.2 Lakhs. Admittedly, the petitioner/mill has failed to deposit the said amount as directed by the appellate tribunal. The petitioner has also challenged the conditional interim order.

9. There is a due to be paid by the petitioner/mill to the EPF authority, pursuant to the interim order passed by the Tribunal in EPFA.No.89 of 2020. At the same time, the EPF authority has also recovered 7Q amount from the petitioner/mill for the proceedings dated 31.12.2021, twice as Rs.2,77,460/- and a sum of Rs.2,77,460/- is still lying with the EPF authority. Though request has been made by the EPF authority dated 14.03.2022 requesting the petitioner/mill to adjust the amount with regard to the other liabilities or to return back the amount to the mill, they have not taken any decision for want of reply from the petitioner / mill. The conduct of the EPF authority in issuing an order under



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Section 8F of the Act, even before the statutory period, for recovery of the dues pursuant to the order dated 31.12.2021 and 24.02.2022, is not proper. Moreover, they have also received a sum of Rs.2,77,460/- towards interest portion from the petitioner/mill. However, they have still proceeded with the recovery order under Section 8F of the Act for the very same amount under Section 7Q of the Act.

10.However, considering the conduct of the petitioner in not making payment pursuant to the conditional interim order granted by the appellate tribunal in EPFA.No.89 of 2020, this Court issues the following directions:-

i)the EPF authority is directed to adjust the amount of Rs.2 Lakhs, which is lying in excess, towards the liabilities of the petitioner/mill, pursuant to the order dated 31.12.2021 and

ii)to refund the balance amount of Rs.77,460/- together with interest at the rate of 12% as charged by the EPF authority to the petitioner/mill, within a period



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of four weeks from the date of receipt of a copy of this
order.

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Accordingly, these writ petitions are disposed of. No costs.

Consequently, connected miscellaneous petition is closed.

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NCC : Yes/No

Index : Yes/No

Internet:Yes

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