BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 22.10.2025

CORAM:

THE HONOURABLE MR.JUSTICE **B.PUGALENDHI**

WP(MD)No.15570 of 2022
and
WP(MD)Nos.11213 and 14380 of 2023

M/s.Madurai City Municipal Corporation,
Represented through its Commissioner,
Annamaligai, Thallakulam,
Madurai – 625 002. ...Petitioner

Vs

The Regional Provident Fund Commissioner -II,
EPF Organisation, Regional Office,
No.1, LDC Road, Chokkikulam,
Madurai 625 002, Tamil Nadu. ...Respondents

PRAYER: Writ Petitions filed under Article 226 of the Constitution of India to issue a writ of certiorari to call for the records on the file of the respondent herein issued in No.TN/RO/MDU/1557885/M-4/PDC/7Q/2022 dated 28.04.2022 and to quash the same.

For Petitioner : Mr.S.Vinayak
For Respondents : Mr.P.Karthick

ORDER

The Madurai Corporation has filed this writ petition as against the orders of the respondent EPF Authority levying interest under Section 7Q of the Employees' Provident Fund and Miscellaneous Provident Funds Act [in short 'the EPF Act'] for the belated payment made by the petitioner corporation. Admittedly the petitioner corporation has collected EPF contribution from its daily wage employees and failed to remit the same to the EPF authority for the period June 2017, February 2018, from May 2018 to August 2019, October 2019 and December 2019. Therefore, the EPF authority has initiated proceedings under Section 14B of the EPF Act and has also levied interest under Section 7Q of the EPF Act. Aggrieved over the orders of the EPF Authority under Section 14B of the EPF Act, the petitioner corporation has already preferred an appeal before the EPF appellate tribunal and as against the order of levying interest passed under Section 7Q of the EPF Act, this writ petition has been filed.

2.The learned counsel for the petitioner submits that Madurai Corporation is dealing with public services and therefore, it is entitled for exemption as per the scheme announced by the Ministry of Labour and Employment dated 30.12.2016. However, the learned counsel for the respondent disputed the same that the scheme is applicable only if the organisation makes the payment within a period of 15 days from the date of declaration.

3.The Municipal Corporations were brought into the purview of the EPF Act in the year 2011 by way of notification issued by the Ministry of Labour and Employment dated 08.11.2011 and the Ministry has also provided exemption by announcing a scheme in the year 2016, viz., the Employee's Provident Funds (Seventh) Amendment) Scheme, to enable the corporation to pay the contribution within a stipulated time. The said scheme is extracted hereunder:

> *"(3)The employer shall, within fifteen days from the date of furnishing the declaration referred to in subparagraph (2), remit the employer's contribution payable in accordance with the provisions of this Scheme and the employee's contribution deducted from the employee's wages along with interest payable in accordance with section 7Q of the Act and damages : Provided that employer shall not be required to pay the*

employee's contribution if the same has not been deducted from the wages of the employee.

(4) The employer shall, after complying with sub-paragraph (2) and sub-paragraph (3), file a return in such form as may be specified by the Central Provident Fund Commissioner, to the Regional Provident Fund Commissioner.

(5) The employer shall specify the date of eligibility in respect of each employee for membership in the declaration referred to in sub-paragraph (2)

Provided that such declaration shall be valid only in respect of employees who are alive as on the 1st day of January, 2017 and no proceedings under section 7A of the Act or under paragraph 26B of this Scheme or under paragraph 8 of the Employees' Pension Scheme, 1995 have been initiated against their establishment or employer, as the case may be, to determine the eligibility for membership of such employees.

(6) If the employer fails to remit the contribution, interest and damages payable by him as referred to in sub-paragraph (3), then, the declaration sent by the employer under sub-paragraph (2) shall be deemed to have not been made by such employer under this Scheme.

(7) Where a declaration under sub-paragraph (2) has been made by misrepresentation or suppression of facts, such declaration shall be void and shall be deemed to have not been made under this Scheme and the person making such declaration shall be liable to penal action in accordance with the provisions of the Act and the Schemes made thereunder.

(8) The exceptions and modifications subject to which the provisions of this Scheme shall apply, in relation to the employees' whose membership have been declared under sub-paragraph (2) as per the Employees' Enrolment Campaign, 2017, shall be as follows, namely:—

(a) in paragraph 30, after sub-paragraph (1), the following proviso shall be inserted, namely:— "Provided that, for the purpose of increasing coverage and extension of benefits under the Act and Schemes made thereunder, the member's contribution is waived under Employees' Enrolment Campaign, 2017 for the period beginning the 1st day of April, 2009 and ending the 31st day of December, 2016 :

Provided further that such waiver shall be applicable only if the member's contribution has not been recovered from such member's wages.". (b) in paragraph 32-A, in sub-paragraph (1), for the Table, the following

Table shall be substituted, namely:— TABLE (Applicable for remittances in respect of valid declarations under Employees' Enrolment Campaign, 2017)

Period of default	*Rate of Damages*
(1)	*(2)*
Between the 1st day of April, 2009 to the 31st day of December, 2016	*One rupee per annum.".*

(c) for paragraph 39, the following paragraph shall be substituted, namely:—

"39. Fixation of administrative charges.—The administrative charges payable under Employees' Enrolment Campaign, 2017 for the period 1 st April, 2009 to the 31st December, 2016 under sub-paragraph (1) of paragraph 38 shall be nil."

4.As per this scheme exemption has been provided for levying interest if the employer pays the contribution within a period of 15 days from the date of the declaration. Admittedly the petitioner corporation has not paid the contribution within the stipulated time. Therefore, the petitioner is not entitled for waiver of interest. Moreover the petitioner has raised an issue with regard to the damages before the EPF appellate tribunal and the petitioner can work out his remedy before the appellate tribunal. Accordingly this writ petition is dismissed. No costs. Consequently connected miscellaneous petitions are closed.

22.10.2025

DSK

To

The Regional Provident Fund Commissioner,
EPF Organisation, Regional Office,
No.1, LDC Road, Chokkikulam,
Madurai 625 002, Tamil Nadu.

B.PUGALENDHI.J.,

DSK

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