



WP(MD)No.18507 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 14.10.2025

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

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The Assistant Provident Fund Commissioner,
Employees Provident Fund Organisation,
Regional Office, No.1,
Lady Doak College Road,
Chokkukulam, Madurai 625 002.

...Petitioner

Vs

M/s.DD – 532 Narikkalpatti Primary Agriculture
Co-Operative Credit Society Narikkalpatti,
Palani Taluk, Dindigul District -626 618.

...Respondent

PRAYER: Writ Petitions filed under Article 226 of the Constitution of India to issue a writ of certiorari calling for the records pertaining to the impugned order of CGIT cum EPF appellate tribunal, Chennai in EPFA No.118/2020, dated 22.07.2022 and quash the same by confirming the order passed by the Assistant Provident Fund Commissioner, Madurai under Section 14B of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 in his proceedings No.TN/RO/MDU/29253/PDC/SPL/14B/2019 dated 15.11.2019.



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For Petitioner : Mr.A.John Xavier

For Respondent : Mr.C.K.Pethanaraj

ORDER

The Employees' Provident Fund Authority has filed this writ petition as against the orders passed by the EPF Appellate Tribunal, Chennai in EPFA No.118/2020, dated 22.07.2022. The petitioner EPF authority has initiated proceedings as against the respondent society for belated payment of EPF contribution for the period from March 2016 to October 2018. Therefore the EPF authority conducted enquiry and passed an order dated 15.11.2019 under Section 14B of the Employees' Provident Fund and Miscellaneous Provident Funds Act [in short 'the EPF Act']. This order passed under Section 14B of the EPF Act was challenged before the EPF appellate tribunal by the establishment and the EPF appellate tribunal has partly allowed the appeal by reducing the damages to 30%. Challenging the same the EPF authority has filed this writ petition.



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2.The learned counsel for the EPF authority submits that the 1st respondent society is covered under the provisions of the EPF Act and allotted with EPF Code No.MD/MDU/29253. The society failed to pay the EPF contribution for the period from March 2016 to October 2018. Therefore, proceedings was initiated under Section 14-B of the EPF Act, opportunity was provided to the respondent and enquiry proceedings were conducted on 26.09.2019 and on 10.10.2019. The Secretary of the respondent society appeared before the authority on 10.10.2019 and assigned certain reasons for the delay in remittance of EPF dues that the society was facing certain financial difficulties on account of waiver announced by the Government of Tamil Nadu. The authority after providing sufficient opportunity to the respondent establishment has levied damages under Section 14B of the EPF Act directing the establishment to pay a sum of Rs.3,03,878/-. The respondent establishment filed an appeal before the EPF appellate tribunal and it was partly allowed on the grounds that para 32A of the EPF scheme is only a guideline and not a rigid formula to be applied uniformly in all cases of delay in payment of contributions and it cannot override the discretionary power of RPFC under Section 14B of the EPF Act, which says 'may



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recover'. Further it has also been stated that the adjudicating authority though cannot waive the damage in toto in view of clause 32B of the EPF scheme, he could have imposed lesser amount. According to him, these reasons assigned by the EPF appellate tribunal for reducing the damages to 30% is not proper.

3.The learned counsel for the respondent society submits that the respondent society was in financial difficulties during the relevant point of time. The Government of Tamil Nadu announced loan waiver and on account of that the society could not collect the loan from the borrower and therefore, the society was not in a position to pay the EPF contribution to the EPF authority for the period from March 2011 to October 2018. Therefore, by considering the difficulties faced by the respondent society the EPF appellate tribunal has rightly modified the damages and there is no reason to interfere with the orders of the appellate tribunal.

4.This court has considered the rival submissions.



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5. Admittedly there is a delay in payment of EPF contribution for the period from March 2016 to October 2018 by the respondent society. For this belated payment, the EPF authority is entitled to initiate proceedings for levying damages under Section 14B of the EPF Act. The provision was enacted in order to give deterrent effect to the establishment to make the payment in time. Para 32A of the EPF scheme also provides the manner in which the damages have to be levied and before levying damages, reasonable opportunities must be provided. In this case, opportunity was provided to the society by conducting enquiry on 26.09.2019, 10.10.2019 and the Secretary of the establishment also appeared for enquiry on 10.10.2019 and offered his explanation for the belated payment. In the event if there is any loss caused to the society due to the loan waiver announced by the Government, the society has to make representation to the Government to redress its grievance. This waiver announced by the government cannot be a ground for the society to pay the contribution belatedly. Since there was a delay in payment of EPF contribution, the EPF authority is entitled to initiate proceedings under Section 14 B of the EPF Act and can levy damages as provided in para 32A of the EPF



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scheme. Therefore, the order of the EPF appellate tribunal is set aside.

The writ petition is allowed. No costs.

14.10.2025

DSK

To

1.M/s.DD – 532 Narikkalpatti Primary Agriculture
Co-Operative Credit Society Narikkalpatti,
Palani Taluk, Dindigul District -626 618.

2.The Presiding Officer,
Employees' Provident Fund Appellate Tribunal,
CGIT cum Labour Court,
Chennai – 600 006.



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B.PUGALENDHI.J.,

DSK

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