



W.P(MD)No.18217 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 30.06.2026

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.18217 of 2026

and

W.M.P(MD)Nos.13485 & 13486 of 2026

M/s.Paramakudi Municipality,
Represented by its Commissioner,
No.4/31, Gandhiji Street,
Paramakudi,
Ramanathapuram District - 623 707.

... Petitioner

Vs

1.The Assistant PF Commissioner,
Employees Provident Fund Organisation,
Regional Office / Bhavishya Nidhi Bhavan,
Chokkikulam,
Madurai - 625 002.

2.The Enforcement Officer (M-5),
Employees Provident Fund Organisation,
Regional Office / Bhavishya Nidhi Bhavan,
Chokkikulam,
Madurai - 625 002.

... Respondents



W.P(MD)No.18217 of 2026

WEB COPY

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records pertaining to the impugned order passed by the first respondent vide his proceedings in No.TN/RO/MD/MDU/PDC/M-5/0091186/14B/2025 dated 11.02.2026 and the consequential order in TN/RO/MD/MDU/PDC/M-5/0091186/7Q/2025 dated 11.02.2026 and quash the same as illegal.

For Petitioner : Mr.C.Karthikeyan

For Respondents : Mr.I.Suthakaran
Standing Counsel for EPF

ORDER

Challenging the impugned order dated 11.02.2026 passed by the first respondent imposing damages under Section 14B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (hereinafter referred to as "the Act, 1952"), and the consequential order of even date levying interest under Section 7Q of the Act, 1952, the petitioner has filed the present Writ Petition.



W.P(MD)No.18217 of 2026

WEB COPY

2.Heard Mr.C.Karthikeyan, learned counsel for the petitioner, and Mr.I.Suthakaran, learned Standing Counsel for the Employees' Provident Fund Organisation, who accepts notice on behalf of the respondents.

3.By consent of both parties, the Writ Petition is taken up for final disposal at the stage of admission itself.

4.The learned counsel appearing for the petitioner submitted that the petitioner Municipality is an establishment covered under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, bearing Establishment Code No.MD/MDU/0091186/00, with effect from 08.01.2011. According to the petitioner, it has been regularly remitting the provident fund contribution, pension fund contribution, insurance fund contribution and administrative charges in respect of its employees. While so, the first respondent issued a notice-cum-summons seeking clarification in respect of the period from April 2015 to May 2016, pursuant to which an



W.P(MD)No.18217 of 2026

WEB COPY

enquiry was conducted. The petitioner deputed its representative to participate in the enquiry. Thereafter, an order under Section 7A of the Act, 1952 was passed determining the dues payable by the petitioner. Since the amount determined under Section 7A was not paid within the prescribed time, the first respondent subsequently passed the impugned orders dated 11.02.2026 under Sections 14B and 7Q of the Act, 1952, imposing damages and interest on account of the delayed remittance of provident fund contributions relating to the period from April 2015 to May 2016. Aggrieved by the said orders, the present Writ Petition has been filed.

5.The learned counsel appearing for the petitioner submitted that the challenge in the present Writ Petition is confined to the quantum of damages imposed under Section 14B of the Act, 1952. According to the learned counsel, while exercising the discretion vested under Section 14B, the first respondent failed to consider the mitigating circumstances faced by the petitioner Municipality. It is submitted that the Municipality, being a local self-government institution, has been undergoing severe financial



W.P(MD)No.18217 of 2026

WEB COPY

constraints and has been struggling even to disburse salaries to its employees. Without considering these mitigating circumstances, the first respondent imposed damages at the maximum rate, which is arbitrary and unsustainable.

6.The issue involved in the present Writ Petition is no longer res integra. The learned counsel for the petitioner placed reliance upon the judgment of the Full Bench of the Madurai Bench of the Madras High Court in ***W.P.(MD) Nos. 7339 of 2013 etc., batch (Sun Pressings (P) Limited vs. The Presiding Officer, Employees' Provident Fund Appellate Tribunal), dated 03.06.2024***, and prayed that the damages imposed under Section 14B of the Act, 1952 may be suitably reduced.

7.Per contra, the learned Standing Counsel appearing for the respondents submitted that the petitioner establishment had deliberately failed to remit the provident fund contributions within the prescribed time. According to him, though the petitioner had deducted the employees'



W.P(MD)No.18217 of 2026

WEB COPY

contribution from their salaries, it failed to remit the same to the provident fund authorities. Therefore, the authorities rightly initiated proceedings under the Act and, even thereafter, the petitioner failed to comply with its statutory obligation. Consequently, damages under Section 14B and interest under Section 7Q of the Act, 1952 were rightly levied, warranting no interference by this Court.

8.The learned Standing Counsel further submitted that an effective alternative statutory remedy of appeal is available under Section 7-I of the Act, 1952 against the impugned orders. Without exhausting the said remedy, the present Writ Petition is not maintainable. Accordingly, he prayed for dismissal of the Writ Petition.

9.This Court has carefully considered the rival submissions and perused the materials available on record.



W.P(MD)No.18217 of 2026

WEB COPY

10.It is the specific case of the petitioner that the delay in remittance of the provident fund contribution was occasioned on account of acute financial difficulties faced by the Municipality. In the light of the principles laid down by the Full Bench of this Court in Sun Pressings (P) Limited vs. The Presiding Officer, Employees' Provident Fund Appellate Tribunal (supra), this Court is of the view that the damages imposed under Section 14B of the Act, 1952 require modification. Accordingly, the damages are reduced to 25% of the amount determined by the first respondent. The petitioner is directed to pay the modified damages in ten (10) equal consecutive monthly instalments. The first instalment shall be paid on or before 15.07.2026 and the remaining nine instalments shall be paid on or before the 15th day of every succeeding English calendar month until the entire amount is paid.



W.P(MD)No.18217 of 2026

WEB COPY

11.With the above modification, the Writ Petition is partly allowed. No costs. Consequently, connected Miscellaneous Petitions are closed.

30.06.2026

NCC : Yes / No
Index : Yes / No
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WEB COPY



W.P(MD)No.18217 of 2026

M.DHANDAPANI, J.

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W.P(MD)No.18217 of 2026

30.06.2026