



W.P.(MD)No.35324 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED :11.02.2026

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THE HONOURABLE MR.JUSTICE K.SURENDER

W.P.(MD)No.35324 of 2025

and

WMP (MD) No.28014 of 2025

M/s. Arulmigu Ramanathasamy Thirukovil
Rameswaram Devasthanam
Ramanathapuram District – 623 526.
Through its Joint Commissioner/
Executive Officer, Sivaramkumar

... Petitioner(s)

Vs.

The Assistant Provident Fund Commissioner,
Employees Provident Fund Organization,
Regional Office,
Ladydoak College Road,
Chokkikulam,
Madurai - 625 002.

... Respondent

PRAYER : Petition filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorari, calling for the records relating to the impugned order No. TN/RO/MD/MDU/PDC/M-5/57686/7Q/2024 dated 03.01.2025 on the file of the respondent and quash the same as illegal.

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For Petitioner :Mr.M.Pandiarajan

For Respondents :Mr.N.Dilipkumar
Standing Counsel

ORDER

This writ petition has been filed challenging the impugned order dated 03.01.2025 issued by the respondent levying the penal interest under 7Q of the "Employees Provident and Miscellaneous Provisions Act, 1952" (in short "EPF Act").

2. Learned counsel for the petitioner submitted that interest was levied under Section 7Q of the EPF Act. The grievance of the petitioner is that such interest ought not to have been levied in view of certain fraudulent activities committed by an employee of the petitioner temple, and the said illegalities were the subject matter of investigation before the CBCID. Further, though the reasons were stated to the respondent, the impugned order came to be passed without considering the same.

3. The learned Standing Counsel appearing for the respondent submitted that the employer is liable to pay damages and interest on every contribution that is remitted belatedly. It was further contended that



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the alleged swindling of funds and the failure to remit the amounts to the EPFO are internal matters of the petitioner temple, for which the EPFO cannot be held responsible. Insofar as the EPFO is concerned, since the contributions were admittedly remitted belatedly, the petitioner temple is statutorily liable to pay damages and interest. It was also submitted that the levy of interest under Section 7Q of the EPF Act is automatic in nature and arises by operation of law upon delayed remittance, leaving no discretion with the authority in the matter.

4. Heard the learned counsel for the petitioner and the learned Standing Counsel appearing for the respondent.

5. The levy of interest under Section 7Q of the EPF Act is automatic and mandatory in nature and once delay in remittance is established, no discretion is vested in the authority to waive or reduce such statutory interest. The delay on the part of the petitioner, even if attributable to the acts of its employee, cannot absolve the petitioner of its statutory liability. Whatever be the reason for the delay, once the remittance is made belatedly, such delayed payment attracts simple interest in accordance with Section 7Q of the EPF Act. Therefore, this



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Court is not inclined to interfere with the impugned order passed by the respondent. However, taking into consideration the facts and circumstances of the case, this Court is inclined to grant limited indulgence with regard to the mode of payment. Accordingly, the petitioner is directed to pay the outstanding dues in four equal monthly installments commencing from March 2026 and ending in June 2026. The first installment shall be paid on or before 09.03.2026 and the subsequent three installments shall be paid on or before the 09th day of every English Calendar month until the entire payment is made. Till such time, the respondent shall not take any coercive action against the petitioner. In the event of default in payment of any one of the above installments, the respondent is at liberty to proceed further in accordance with law. No costs. Consequently, connected miscellaneous petition is closed.

(K.SURENDER, J)
11.02.2026

NCC :Yes/No
Internet :Yes/No
Index :Yes/No
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To

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