IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

107 **CWP-22232-2017**
Date of Decision : January 20, 2026

THE MANSA CENTRAL COOPERATIVE BANK LTD., MANSA

-PETITIONER

V/S

UNION OF INDIA AND ORS.

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. Arvinder Singh, Advocate
for the petitioner.

Mr. Sanjay Tangri, Advocate
for the respondents No.2 to 4.

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KULDEEP TIWARI, J. (ORAL)

1. The prayer wrapped in the instant writ petition appertains to quashing the assessment order dated 25.07.2017 (Annexure P-11), whereby the respondent No.4 has directed the petitioner- Bank to deposit a sum of ₹5,78,159/- on account of Employees' Provident Fund due and allied dues for the period from March 1995 to April 2016.

2. Learned counsel for the petitioner contends that the petitioner had already adopted a more beneficial insurance scheme from the L.I.C., as is evident from the communication dated 10.10.2001 (Annexure P-5). It is submitted that, in light of Section 17(2-A) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (hereinafter referred to as "the EPF Act"), the petitioner's case for exemption from the Employees' Deposit-Linked Insurance Scheme (hereinafter referred to as "the EDLI Scheme") was required to be duly considered. However, the said mandate was not adhered to, and instead, the exemption earlier granted to the petitioner was withdrawn vide a

mechanical order dated 18.08.2000 (Annexure R-2/1). It is further submitted that the withdrawal of exemption was based merely on the assumption that, since the insurance benefits under the EDLI Scheme had been enhanced from ₹35,000/- to ₹60,000/-, the petitioner was no longer providing a more beneficial scheme. Contrary thereto, the communication dated 10.10.2001 (Annexure P-5) clearly demonstrates that the petitioner had informed the authorities that its employees were covered under a Group Insurance Policy issued by the L.I.C., offering benefits up to ₹62,000/-, which exceeded the enhanced benefits of ₹60,000/- available under the EDLI Scheme.

3. *Per contra*, learned counsel for the respondents No.2 to 4 submits that the order dated 18.08.2000 has never been challenged by the petitioner before this Court. It is further submitted that since the year 2000, the petitioner failed to take any steps to obtain exemption and, despite repeated reminders issued by the EPF Department to deposit contributions under the EDLI Scheme, the petitioner remained non-compliant. It is, thus, contended that the issue (*supra*) raised at this belated stage does not warrant interference by this Court.

4. Before embarking upon the process of gauging the validity of the impugned assessment order, and penning down a verdict upon the instant writ petition, it is deemed apt to refer to Section 17(2-A) of the EPF Act, which is extracted hereunder:-

> *17(2-A) [The Central Provident Fund Commissioner may, if requested so to do by the employer, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt, whether prospectively or retrospectively, any establishment from the operation of all or any of the provisions of the Insurance Scheme, if he is satisfied] that the employees of such establishment are, without making any separate contribution or payment of premium, in enjoyment of benefits in the nature of life insurance, whether linked to*

their deposits in provident fund or not, and such benefits are more favourable to such employees than the benefits admissible under the Insurance Scheme."

5. A plain reading of the hereinabove extracted provision unequivocally reveals that the Central Provident Fund Commissioner is empowered to grant exemption to an employer if he is satisfied that the employer provides a life insurance scheme, which is more beneficial to the employees than the EDLI Scheme.

6. There is no dispute that the petitioner had adopted a Group Insurance Policy from the L.I.C., which was more beneficial than the EDLI Scheme, as clearly borne out from the communication dated 10.10.2001 (Annexure P-5). A perusal of the order dated 18.08.2000 (Annexure R-2/1) further indicates that the petitioner's claim was not examined on its merits. Instead, the exemption was withdrawn solely on the presumption that enhancement of benefits under the EDLI Scheme from ₹35,000/- to ₹60,000/- necessitated adoption of the said scheme.

7. This Court is of the considered view that, till date, the competent authority has failed to examine the petitioner's claim (*supra*) in the proper perspective and in consonance with the mandate of Section 17(2-A) of the EPF Act. Consequently, the **impugned assessment order is hereby set aside** and the **matter is remanded** to the competent authority to reconsider the issue and to pass a fresh reasoned order determining whether the petitioner is entitled to exemption under Section 17(2-A) of the EPF Act.

8. Disposed of accordingly.

(KULDEEP TIWARI)
JUDGE

January 20, 2026
devinder

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No

DEVINDER YADAV
2026.01.22 11:06
I attest to the accuracy and authenticity of this order/judgment