



W.P.Nos.9115, 9118, 9121 & 9123 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.02.2025

CORAM :

THE HONOURABLE MR.JUSTICE **M.DHANDAPANI**

W.P.Nos.9115, 9118, 9121 & 9123 of 2021

and

WMP.Nos.9660, 9662, 9664 & 9665 of 2021

The Assistant Provident Fund Commissioner,
Employees Provident Fund Organization,
Sub-Regional Office, S.J.Plaza,
Swarnapuri, Salem – 636 004. ...Petitioner in W.P.Nos.9115 & 9118 of 2021

The Regional Provident Fund Commissioner,
Employees Provident Fund Organization,
Sub-Regional Office, S.J.Plaza,
Swarnapuri, Salem – 636 004. ...Petitioner in W.P.Nos.9121 & 9123 of 2021

Vs.

M/s. Mahatma Gandhi Matriculation School,
Parandapalli, Poochampalli,
Hosur – 635 206. ...Respondent in W.P.No.9115 of 2021

M/s. National Plywood Industries Ltd.,
Plot No.215/2, Hosur – Thaily Road,
Kalukondapally, Hosur – 635 114,
Krishnagiri District. ...Respondent in W.P.No.9118 of 2021

M/s. A.V. Theatre,
Annadurai Road,
Dharmapuri – 636 701. ...Respondent in W.P.No.9121 of 2021



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M/s. Thangavelu Textiles Mills Ltd.,
No.16, Thathampatti, Post Box No.3,
KN Colony, P.O. Salem – 636 014. ...Respondent in W.P.No.9123 of 2021

Prayer in W.P.No.9115 of 2021: Writ Petition filed under Article 226 of Constitution of India pleased to issue a Writ of Certiorari, to call for the records relating to the proceedings of the Employees Provident Fund Appellate Tribunal order dated 03.10.2019 in EPFA.No.623 of 2018 and quash the order passed therein.

Prayer in W.P.No.9118 of 2021: Writ Petition filed under Article 226 of Constitution of India pleased to issue a Writ of Certiorari, to call for the records relating to the proceedings of the Employees Provident Fund Appellate Tribunal order dated 30.09.2019 in EPFA.No.490 of 2018 and quash the order passed therein.

Prayer in W.P.No.9121 of 2021: Writ Petition filed under Article 226 of Constitution of India pleased to issue a Writ of Certiorari, to call for the records relating to the proceedings of the Employees Provident Fund Appellate Tribunal order dated 27.09.2019 in EPFA.No.483 of 2017 and quash the order passed therein.

Prayer in W.P.No.9123 of 2021: Writ Petition filed under Article 226 of Constitution of India pleased to issue a Writ of Certiorari, to call for the records relating to the proceedings of the Employees Provident Fund Appellate Tribunal order dated 25.09.2019 in EPFA.No.224 of 2018 and quash the order passed therein.



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For Petitioner : Ms.R.Meenakshi
(in all W.P's.)

For Respondent : No Appearance
(for respondent in W.P.Nos.9115, 9118 & 9123 of 2021)
: Notice not ready
(for respondent in W.P.No.9121 of 2021)

COMMON ORDER

Since the issue involved in all these Writ petitions are similar in nature, they are disposed of by way of this common order.

2. Assailing the orders of the Employees Provident Fund Appellate Tribunal, in and by which the orders passed by the respective petitioner have been set aside, wherein the respective petitioner had directed the respective respondent to pay the contribution towards PF in respect of the allowances for which PF was not deducted and deposited, these writ petitions have been filed.

3. When the matters are taken up for consideration, it is brought to the notice of this Court that similar issue has been raised in a batch of petitions in W.P.Nos.26413 of 2017, etc. Batch and this Court, vide order dated 04.08.2023 had allowed the writ petitions, setting aside the order passed



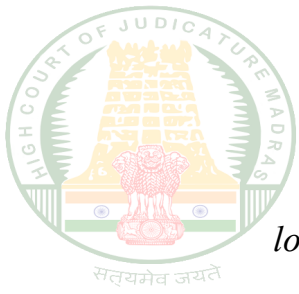
by the original authority.

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4. This Court perused the order passed in W.P.Nos.26413 of 2017, etc. Batch, wherein, this Court has held as under :-

“25. A conjoint reading of Sections 7-I and 7-L shows that an appeal to the Tribunal could be filed only by the person aggrieved by the order of the authority or the Central Government and it cannot be by an authority, even higher in hierarchy to the authority, who had passed the order in the absence of any authorisation by the Central Government. Further, for the purpose of determination of moneys to be recovered, the inquiry by the authority is deemed to be a judicial proceeding as is passed by a civil court. In effect, the order passed by the authority, is a judicial order passed exercising quasi-judicial power.

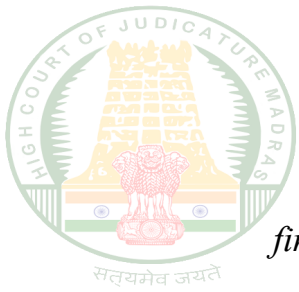
26. Further, as evidenced above, sub-section (4) of Section 7-L makes the order passed by the Tribunal a finality, which could not be questioned in any court of law. True it is that the order of the Tribunal can be put in issue before this Court under Article 226 of the Constitution, as this Court exercises extraordinary jurisdiction. However, the only interpretation that could be given harmoniously to sub-section (4) of Section 7-L is that the authority, who had passed the order, being an authority



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lower in hierarchy to the Tribunal, is bound to accept the order passed by the Tribunal and is estopped from questioning the said order by filing appeal, except where the order passed is without jurisdiction and that too only if the authority has proper authorisation from the Central Government.

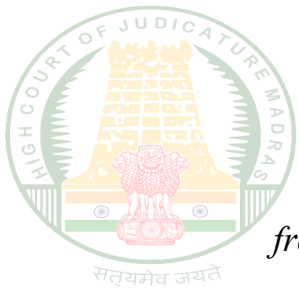
27. However, the other party to the lis, viz., the individual, cannot be estopped from taking the same on appeal before a higher judicial forum. Meaning thereby, the order passed by the Tribunal in an appeal by the employer, could at best be challenged only by the employer, if it is against the employer and the authority, who passed the original order is bound to act on the basis of the order passed by the Tribunal as the Tribunal is the final arbiter under the statute insofar as the authority is concerned. Further, it should be pointed out that the order passed by the original authority merges with the appellate order and the original authority is bound by the order passed by the appellate authority. Any other construction, if given to Section 7-L (4) would render the appeal remedy an empty formality as every time, the order of the original authority is interfered with by the appellate authority, the original authority, if permitted to rush before the higher judicial forum, including the High Court under Art. 226, then it would defeat the very intent of the Parliament in including Section 7-L (4). Only to put a stop to further litigative process, more specifically by the original authority, sub-section (4) to Section 7-L had put shackles on the original authority by making the order passed by the Tribunal a



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finality. The order could be challenged by the authority by way of a writ petition only when the authority is clothed with authorisation by the Central Government or Board of Trustee to prefer appeal against the order passed by the appellate authority. In the absence of any power granted by the Central Government or Board of Trustee to the authority to file appeal assailing the order passed by the appellate authority, not only the original authority is barred from filing a writ petition, but any writ petition, if entertained would be against the statute, which is not the intent of the law makers. Further, it is to be pointed out that the only situation in which the original authority could put in issue an order in appeal is when the authority who had passed the order is not vested with jurisdiction. In all other scenarios, the original order merges with the appellate order and the appellate order becomes final and the original authority is bound by the order of the appellate authority.

28. It is to be pointed out that when an authority performs quasi-judicial function, by passing orders in a matter, it neither acts in favour of the Government nor the individual, but is performing a duty endowed on it by the statute. The authority is immune from all attachments and realisations for and on behalf of the Government and is in no way attached with the order, as it is only the statutory prescription that is sought to be enforced by the authority and it has no personal afflictions to the said issue. In case, the order passed by the authority is not in favour of the department, at best the department, upon proper authorisation



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from the Government could seek further judicial recourse but it is not open to the original authority, who passed the order, without any authorisation, to challenge the order passed by the Tribunal.

29. *The above view expressed by this Court finds favour in the decision of the Apex Court in Mohtesham Mohd. Ismail case (supra), which clearly portrays the position in which the original authority is positioned when it comes to questioning the appellate order as has happened in the present case. For better appreciation, the relevant portion of the decision is quoted hereunder :-*

“15. From the notification dated 22.09.1989, whereupon reliance has been placed by Mr. Bhan, it would appear that the officer authorized by the Central Government for the purpose of enforcing the provisions of the Act was specifically empowered to adjudicate upon the dispute. The said notification itself is a pointer to the fact that for the purpose of exercising the functions of the Central Government under one provision or the other, the officer concerned must be specifically empowered in that behalf. A general empowerment would, however, be permissible. Before the High Court, no notification was filed to show that the authority concerned was empowered to prefer an appeal on behalf of the Central Government. The Central Government was not even impleaded as a party to the appeal. First Respondent did not file the appeal on behalf of or representing the Central Government. It was



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filed in its official capacity as the adjudicating authority and not as a delegatee of the Central Government.

16. An adjudicating authority exercises a quasi-judicial power and discharges judicial functions. When its order had been set aside by the Board, ordinarily in absence of any power to prefer an appeal, it could not do so. The reasonings of the High Court that he had general power, in our opinion, is fallacious. For the purpose of exercising the functions of the Central Government, the officer concerned must be specifically authorized. Only when an officer is so specifically authorized, he can act on behalf of the Central Government and not otherwise. Only because an officer has been appointed for the purpose of acting in terms of the provisions of the Act, the same would not by itself entitle to an officer to discharge all or any of the functions of the Central Government. Even ordinarily a quasi-judicial authority can not prefer an appeal being aggrieved by and dissatisfied with the judgment of the appellate authority whereby and whereunder its judgment has been set aside. An adjudicating authority, although an officer of the Central Government, should act as an impartial Tribunal. An adjudicating authority, therefore, in absence of any power conferred upon it in this behalf by the Central Government, could not prefer any appeal against the order passed by the Appellate Board.

17. The Madras High Court in Rama Arangannal (supra) opined :



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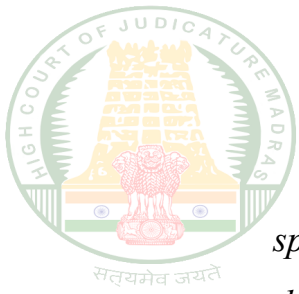


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“4. On the question as to the maintainability of the appeal, it is seen that the Explanation to Section 54 of the Foreign Exchange Regulation Act 1973 treats only the Central Government as an aggrieved party for the purpose of filing an appeal to the High Court in respect of orders passed by the Foreign Exchange Regulation Appellate Board under that section. Therefore, only the Central Government can file and prosecute an appeal against the order of the Appellate Board, and not any other authority, In this case, the appeal has been filed by the Director of Enforcement, who is the initial authority who passed the adjudication order against the respondents and whose order has been set aside by the Appellate Board on an appeal filed by them. Therefore, the Director of Enforcement cannot be said to be aggrieved by the order of the Appellate Board merely because its order of adjudication has been set aside by the Appellate Board.”

(Emphasis Supplied)

31. When the appellate authority, in unequivocal terms, has rendered a categorical finding that the findings arrived at by the original authority, which are on the basis of facts, are erroneous, it does not lie in the mouth of the petitioner to contend that the act of the employer in tampering with the basic wages to their benefit is a question of law, which has to be gone into by this Court, is nothing but trying to split hairs in order passed by the appellate authority. When the appellate authority has clearly



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spelt out that the Act clearly defines basic wages and so long as the language of the enactment is without any ambiguity, the

definition provided to any term therein has to be interpreted plainly and, therefore, original authority is bound by the language of the enactment and cannot borrow the language from any other enactment to suit its taste is a clear exposition of the ratio, which has been laid down time immemorial in respect of the manner in which a statute has to be understood and in the said context, this Court is of the considered view that the decision arrived at by the appellate authority, on the basis of the facts placed before it, cannot be the basis for this Court to entertain the writ petitions, more so, when the petitioner has no authorisation to act on behalf of the Central Government by filing the present petitions.

32. When the petitioner has no authorisation to file the writ petitions on behalf of the Central Government or Board of Trustee, challenge made to the order of the appellate authority by filing the writ petitions is an act without jurisdiction of the authority and, therefore, the writ petitions deserve to be dismissed by confirming the order passed by the Tribunal.”

5. The aforesaid decision is squarely applicable to the facts of the present cases. Further, by exercising the power available u/s 7L of the EPF &



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MP Act, the Tribunal had modified the actual amount of damages levied,

which cannot be said to be perverse, illegal or arbitrary. Accordingly, applying

the ratio laid down above, these writ petitions stand dismissed confirming the impugned orders passed by the Tribunal. No costs. Consequently, the connected Miscellaneous petition is closed.

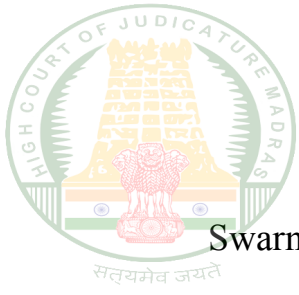
25.02.2025

skt

Index : Yes / No
Speaking order : Yes / No
NCC : Yes / No

To

1. The Presiding Officer,
Employees Provident fund Appellate Tribunal,
Chennai.
2. The Assistant Provident Fund Commissioner,
Employees Provident Fund Organization,
Sub-Regional Office, S.J.Plaza,
Swarnapuri, Salem – 636 004.
3. The Regional Provident Fund Commissioner,
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