



W.P.No.26545 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : **23.07.2025**

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THE HONOURABLE MR.JUSTICE **P.DHANABAL**

W.P.No.26545 of 2022
and WMP.No.25601 of 2022

The Management,
M/s.T.Stanes and Company Limited
represented by its Authorized Signatory
Having registered office at 8/23-24, Race Course Road,
Coimbatore. Petitioner

Vs

1.The Regional Provident Fund Commissioner-II
Employees Provident Fund Organisation
Regional Office, Bhavishya Nidhi Bhavan,
Dr.Balasundaram Road, Coimbatore.

2. Lakshmanan Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, for the issuance of Writ of Certiorari, to call for the records on the file of the 1st respondent relating to the order dated 30.08.2022 bearing ref No. TN/RO/CBE/Compliance/2022 and quash the same.

For Petitioner : Mr.T.Sai Krishnan

For R1 :Mr.P.K.Panneerselvam

For R2 : Mr.D.Udhayasuriyan



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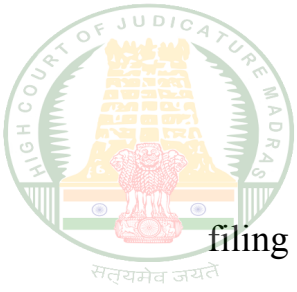
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ORDER

This Writ Petition has been filed challenging the order passed by the 1st respondent in reference No. TN/RO/CBE/Compliance/2022 dated 30.08.2022 and quash the same.

2. The learned counsel for the petitioner would submit that the 2nd respondent, who was an employee of the petitioner company, was terminated from service on 14.10.2005 with two months notice, as per the terms of appointment. Aggrieved by the said termination order, the 2nd respondent raised an Industrial Dispute in ID.No.345 of 2006, praying for reinstatement with continuity of service, with full back wages, and all other attendant benefits. The ID was allowed. Thereafter the writ petitioner filed writ petition in WP.No.31436 of 2013 before this Court. The Court disposed of the writ petition by awarding a lump sum amount of Rs. 5 lakhs as back wages, payable up to the date of the 2nd respondent's superannuation.

2.1. Subsequently, the writ petitioner challenged the said order by



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filing W.A.SR.No.21037 of 2021, with a delay of 86 days. During the pendency of the aforesaid appeal, a settlement was reached between the parties under section 18(1) of the Industrial Dispute Act. As per this settlement, the 2nd respondent received a sum of Rs.7.25 lakhs through demand draft on 27.04.2021, as full and final settlement for the dispute and the same was recorded by this Court, and the appeal was closed at the SR stage itself.

2.2. Despite this, the 2nd respondent approached the 1st respondent with a complaint regarding EPF contribution payment. Although the petitioner provided calculation for Rs.7.25 lakhs, the 1st respondent ruled that the 2nd respondent was eligible for continuity of PF membership benefits during the termination period. This order by the 1st respondent is against law. Since the amount was settled, the petitioner has no obligation to make statutory contributions to the Provident Fund (PF) under section 18(1) settlement of the Industrial Dispute Act. The settled amount does not constitute basic wages as per the Act. Therefore, the order passed by the 1st respondent under the EPF scheme is erroneous. Therefore, the order passed by the 1st respondent is liable to be quashed.



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3. The learned counsel for the respondent would submit that the petitioner terminated the 2nd respondent's service. Challenging the same, the 2nd respondent raised an Industrial Dispute, and the same was allowed, directing the petitioner to reinstate him with full back wages and other benefits. Subsequently, the writ petitioner challenged the Labour Court's award through a Writ Petition(WP), where a compensation of Rs.5 lakhs was awarded. The writ petitioner then filed a writ appeal against that order, with delay. However, the matter was settled between the parties at the SR stage itself, with a settlement amount of Rs. 7.25 lakhs paid for Industrial Dispute.

3.1. The 2nd respondent is entitled to the EPF amount, and therefore, approached the Regional Provident Fund Commissioner. After hearing both sides, the Commissioner held that the 2nd respondent is eligible for continuity of PF membership during the period of illegal termination, from 16.12.2005 until his superannuation i.e, 11.07.2012. The matter was then referred to Circle Officer, for compliance for assessment of dues. Therefore, the settlement arrived between the parties is in respect of the Industrial Dispute did not include the EPF amount. Thus, the 2nd respondent is entitled to the PF amount, and the 1st



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respondent's order is well reasoned and the present writ petition is liable

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4. This Court heard both sides and perused the records.

5. In this case, there is no dispute between the parties as employer and workman. The 2nd respondent was removed from service by the petitioner management, which was challenged before the Labour Court as Industrial Dispute in ID No.345 of 2006. The Labour Court then directed the petitioner management to reinstate the 2nd respondent with back wages, all other terminal benefits, and continuity of service.

6. Challenging the aforesaid Labour Court award, the petitioner management preferred a writ petition before this Court in WP.No.31436 of 2013. Since the 2nd respondent had superannuated, the Court awarded Rs.5 lakhs as compensation instead of reinstatement. The petitioner management further challenged this order in WA.SR.No.21037 of 2021, filed with an delay of 86 days. In that appeal, both parties entered into compromise, and a sum of Rs.7.5 lakhs was paid as compensation. There is no dispute that the said amount was paid for Labour Court's award.



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WEB COPY 7. Subsequently, the 2nd respondent filed a complaint before the 1st respondent in respect of his Provident Fund (PF) amount. The 1st respondent heard the matter, with both the parties participating in the enquiry. The authority then ordered that the 2nd respondent is eligible for continuity of PF benefits during the period of his termination period from 16.12.2005 to his superannuation on 11.07.2012.

8. According to the management, the 2nd respondent already received Rs.7.25 lakhs as full and final settlement. However, the 2nd respondent contends that this amount was for the termination, and the PF amount was not referenced in the award or settlement. Therefore, the 2nd respondent claims entitlement to the PF amount.

9. This Court has carefully perused the entire documents. It is an admitted fact that Rs.7.25 lakhs was paid by the petitioner and received by the 2nd respondent in respect of the dispute in ID.No.345 of 2006. This settlement amount was paid as full and final. The settlement included Rs.5 lakhs compensation awarded by this Court in WP.No.31436 of



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2013, along with other terminal benefits the 2nd respondent was entitled to, as the ID concerned challenging the termination, back wages, and all other attendant benefits. There was no reference to the PF amount, to which the 2nd respondent is statutorily entitled, and which cannot be denied by the petitioner management. The settlement is in respect of the Industrial Dispute, and award is in respect of the subject matter of the dispute where PF has no relevance. The ID was raised under the Industrial Dispute Act, where the Labour Court has the power to consider disputes under the Industrial Dispute Act.

10. As far as the EPF and MP Act is concerned, authorities under both the acts are different. Therefore, the settlement arrived between the parties in respect of the dispute arising out of the ID is distinct from a dispute under the EPF and MP Act. Consequently, the settlement does not affect the 2nd respondent's right to the claim the EPF amount. The 1st respondent has, therefore, passed a reasoned order, stating that the member never stated he would not claim any EPF fund or other social security benefits after the settlement of this dispute. Therefore, the authority has passed a reasoned order without any perversity or illegality and hence the present writ petition is liable to be dismissed.



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WEB COPY 11. In view of the aforesaid discussions, this Court is of the opinion that this writ petition has no merits and deserves to be dismissed. Accordingly, this writ petition is dismissed. No costs. Consequently, connected miscellaneous petition is closed.

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Index : Yes/No
Neutral citation : Yes/No
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To

The Regional Provident Fund Commissioner-II
Employees Provident Fund Organisation
Regional Office, Bhavishya Nidhi Bhavan,
Dr.Balasundaram Road, Coimbatore.



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P.DHANABAL,J.

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