



WEB COPY

W.P.No.22445 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17-06-2026

CORAM:

THE HON'BLE MR.JUSTICE K. SURENDER

W.P.No.22445 of 2026

and

W.M.P. Nos. 24393 & 24396 of 2026

Tamilnadu Nadu State Marketing Corporation Ltd
(TASMAC)
Rep. by its District Manager,
29, and 30 SIDCO Industrial Estate,
Thriuvallur,

..Petitioner

Vs

The Regional Provident Fund Commissioner -II
Employees Provident Fund Organization,
Regional Office No.40, A-1 TNHB Shopping
Cum Office complex, Mugappair Road,
Mugappair East Ambattur.
Chennai-600 037

..Respondent

PRAYER: Writ Petition filed under Article 227 of the Constitution of India, seeking for a Writ of Certiorari to call for the records relating to its order dated 25.09.2018 imposing damages amounting to Rs.55,37,682/- and consequential order of the President Officer, Central Government Industrial Tribunal relating to the impugned order dated 26.02.2026 made in EPFA Nos. 683 of 2018 and quash the said orders as being arbitrary, without jurisdiction, and contrary to law and pass further orders.

For Petitioner:

Mr.T.Gowthaman, Additional Advocate General
For Mr.K Sathish Kumar

For Respondent:

Mr.P.K.Paneerselvam

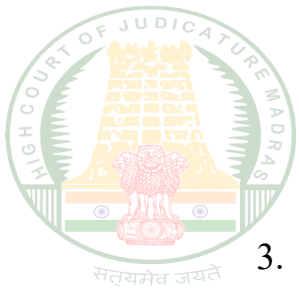


ORDER

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The petitioner herein is a Government of Tamil Nadu undertaking, engaged in the retail vending of liquor across the State. For the purpose of transportation of Indian made Foreign Spirits (IMFS) and Beer from its depots to retail vending shops, the petitioner engages independent transport contractors through a public tender process. As per the contractual terms, the contractors are solely responsible for execution of transportation work, including loading and unloading operations. The agreement also specifically mandates that the contractors must possess valid EPF Code Numbers and comply with the statutory obligations under the Employees' Provident Fund (E.P.F.) and Miscellaneous Provisions Act, 1952 including remittance of contributions and filing of returns.

2. While being so, the respondent initiated proceedings under Section 7A and 14B of the E.P.F. Act and passed orders dated 05.05.2011, 25.05.2012, 24.09.2018 and 25.09.2018, fastening liability on the petitioner towards provident fund contributions, damages and interest for the period from January 2004 to February 2012. Subsequently, the respondent initiated coercive recovery proceedings, including issuance of recovery orders dated 01.11.2018 and and prohibitory orders dated 09.11.2018 and 12.11.2018 to the petitioner's bankers, seeking attachment of bank accounts.



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3. Tamil Nadu State Marketing Corporation Ltd (TASMAC) the petitioner herein, questioning the imposition of damages to the tune of Rs.55,37,682/- by the respondent / Employees Provident Fund Organisation, approached the Central Government Industrial Tribunal for filing E.P.F. Appeal Nos.682 & 683/ 2018. After considering the reasons raised by the petitioner/TASMAC, the Tribunal directed the petitioner to remit payment towards 70% of the damages which amounts to Rs.38,76,378/-, thereby waiving 30% of the damages. On 31.03.2026, the respondent issued the demand notice, directing the petitioner to pay Rs.38,76,378/- (70% of the damages) within 7 days. Aggrieved against the same, the present writ petition has been filed.

4. According to the learned Additional Advocate General appearing on behalf of the petitioner/TASMAC, the employees working under the Contractors, have nothing to do with the petitioner herein and in fact, they were employed by the contractors. An Agreement was entered into between the TASMAC and the Contractor, disowning any kind of responsibilities by the TASMAC to pay E.P.F. contributions and it is for the Contractor to pay such contributions, if any, if the employees are entitled.

5. On the other hand, the learned counsel for the respondent would submit that the petitioner has accepted that they are liable to pay the E.P.F. amount and



accordingly, they have deposited the entire amount. Now, so far as the damages are concerned, it is the discretion to impose 100% of the arrears as damages and the reasons given by the petitioner/ TASMACH, that they have entered into contract with the Contractors stating that the Contractors will pay the E.P.F. amount is untenable one.

6. Having gone through the records, the damages that were calculated by the respondent amounts to Rs.55,37,682/- (Rupees Fifty Five lakhs thirty Seven thousand Six Hundred and Eighty two only). The petitioner/ TASMACH cannot come forward with an argument stating that the employees' E.P.F. contribution has to be paid by the Contractor only and not TASMACH. In fact, under section 8(A) of the E.P.F.Act, the employer has to pay the E.P.F. contributions and it can be recovered from the Contractor.

7. Reading of the Scheme Provisions of the E.P.F. Act reveals that TASMACH is bound to pay the E.P.F. contributions. In fact, the E.P.F. contributions were already paid. The issues raised in the application pertains to damages that were levied by the respondent. The only reason cited by the learned Additional Advocate General appearing on behalf of the petitioner is that TASMACH is not bound to pay the E.P.F. contributions, which is incorrect. However, keeping in view the relation with the employer i.e. through a contractor, the damages that was imposed, this Court deems it appropriate to



reduce it to Rs.25,00,000/- (Rupees Twenty Five Lakhs only) and the said sum is payable to the petitioner / TASMACH within a period of four(04) weeks from the date of receipt of a copy of this order, failure to pay the damages, the respondent Department is at liberty to proceed in accordance with law.

8. With the above observations, this Writ Petition stands disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

(K. SURENDER, J.)
17-06-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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To:

The Regional Provident Fund Commissioner -II
Employees Provident Fund Organization,
Regional Office No.40, A-1 TNHB Shopping
Cum Office complex, Mugappair Road,
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Chennai-600 037



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K.SURENDER J.

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Order made in
W.P.No.22445 of 2026

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