



WEB COPY

WP No. 21217 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08-06-2026

CORAM:

THE HONOURABLE MR.JUSTICE K.SURENDER

WP No. 21217 of 2026

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M/s.Madurantagam Agricultural Producers
Co-operative Marketing Society Ltd.,
rep. by its Administrator, S.Elumalaiyan,
No. 29, Madapam Street,
Madurantakam-603 306
Chengalpattu District

..Petitioner

Vs.

The Regional Provident Fund Commissioner-II,
Employees' Provident Fund organisation,
Regional Officer No.3 Rajaji Salai,
Tambaram, Chennai-600 045.

..Respondent

Writ Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus calling for records of Impugned order dated 02.02.2026 passed by the Central Government Industrial Tribunal, Chennai in EPFA No.71/ 2023 to quash the same and waive off the entire damages of Rs. 25,57,557/- assessed by the respondent.

For Petitioner : M/s.P.Thangaraju

For Respondent : Mr.R.Thirunavukkarasu

ORDER

The petitioner-Society is registered under the Tamil Nadu Co-operative Societies Act. The Society's objection is to facilitate search and marketing



agricultural products. During the course of its functioning, the employee were eligible for EPF contribution. Accordingly, the Society has remitted the EPF amounts, however with delay. On account of the said delay that had occurred in depositing the EPF Contribution, the respondent, in accordance with Section 14-B of the said Act, awarded damages of Rs.25,57,552/-. Aggrieved by the said damages, the petitioner has approached the Central Government Industrial Tribunal, seeking intervention of the said Tribunal to waive the damages. However, the Tribunal deemed it appropriate to consider the request of the petitioner to the extent of reducing the damages to 32% of the quantified damages.

2. Learned counsel for the petitioner submitted that the agricultural co-operative Society is in financial constraints and leniency would indulgence of this Court would greatly help the Society. Learned counsel further contended that in similar circumstances, this Court had shown indulgence in reducing the damages. In this regard, the learned counsel for the petitioner relied upon the decision of a Division Bench of this Court in W.A.(MD).Nos.228 to 230 and 365 of 2011, dated 07.03.2024 RH.153, Ramanathapuram District Co-operative Spinning Mills Ltd. Vs. Central Board of Trustees of Employees' Provident Fund Organisation and in which, the Division Bench had shown indulgence in refusing the damages. The relevant portion of the order of the Division Bench, reads as follows:



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"13. But however, that is not the end of matter. The fact that the appellants are the Co-operative Spinning Mills is not in dispute. We do not really see any rationale as to why the second proviso to Section 14-B, restricted its application only to Sick Industrial Companies that come within (Special Provisions) Act, 1985. As a matter of fact, it at all, any establishment, is entitled to the benefit of waiver or reduction of damages, it should be the co-operative societies. If one has a look at the history of the development of the co-operative movement, it would be clear that they are not run on profit motive as private enterprise are. Therefore, if a benefit is applicable to other establishments, which are created only with profit motives, we fail to understand why the same benefit should not be extended to co-operative societies merely because they do not come within the purview of Sick Industrial Companies within (Special Provisions) Act, 1985."

3. On the other hand, learned counsel for the respondent submitted that the damages quantified in accordance with the statute and any reduction is unwarranted. Further, the Society is capable of paying the quantified damages.

4. Taking into consideration the rival arguments advanced by both sides, when the Court questioned the learned counsel for the petitioner, it was informed that the Society is ready to pay the damages to the extent of Rs.10 lakhs. Since the petitioner has already undertaken to pay Rs.10 lakhs, this Court, appreciating the Society to direct payment of the said Rs.10 lakhs within a period of four weeks from today. With the said direction, the Writ Petition stands allowed to that extent. There shall be no order as to costs.

5. It is needless to state that the failure to deposit Rs.10 lakhs within four



weeks, the order of the Tribunal will stand restored.

(K.Surender, J)
08-06-2026

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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 organisation,
Regional officer No.3 Rajaji Salai,
Tambaram, Chennai 45



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K.SURENDER, J.

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