



WEB COPY

WP No. 37207 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-04-2026

CORAM

THE HON'BLE MR JUSTICE M.DHANDAPANI

WP No. 37207 of 2024

and

WMP Nos.40213 of 2024, 12631 & 12634 of 2026

M/s.Devi Innoventures LLP
(Formerly Known as M/s.Mohan Breweries and
Distilleries Ltd), Near PIPDIC Industrial Estate,
Mettupalayam, Pondicherry-605 009.
Rep. by its General Manger

..Petitioner

Vs

The Regional Provident Fund Commissioner -II
Employees Provident Fund Organisation,
Regional Office, 101, 100 Feet Road,
Sree Venni Commercial Complex, Chollan Nagar,
Olandaikeerapalayam, Puducherry 605004.

..Respondent

Writ Petition filed under Article 226 of Constitution of India, to
issue a Writ of Certiorari, calling for the records of the Central Government
Industrial Tribunal Cum Labour Court, Chennai in EPFA 196 of 2019 and
quash the same dated 28.08.2024

For Petitioner(s): Mr.Anand Gopalan
for M/s.Agam Legal



For Respondent(s): Mr.P.K.Panneerselvam

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ORDER

This petition has been filed challenging the impugned order dated 28.08.2024 passed by the Central Government Industrial Tribunal Cum Labour Court, Chennai in EPFA 196 of 2019 and seeking to quash the same.

2.The case of the petitioner is that it is a manufacturer of glass bottles for breweries and distilleries, supplying its products to its liquor manufacturing unit in Chennai. The petitioner faced severe financial difficulties due to multiple mitigating factors, including a major fire at its Chennai Liquor Manufacturing Unit in 2012, which resulted in huge financial loss, as well as natural calamities, such as the 2015 floods and the 2016 Vardha cyclone. As a result, the petitioner was unable to remit Provident Fund (PF) contributions on time for the period from February 2016 to February 2019, although it made efforts to pay the dues in a staggered manner. The respondent, by order dated 30.07.2019, imposed damages of Rs.33,75,686/- for the delayed payments under Section 14B of the EPF Act. The petitioner contested the penalty during the enquiry, seeking a waiver on account of the mitigating circumstances, however, the respondent



ignored its objections and imposed the penalty. Challenging the said order, the petitioner preferred an appeal in terms of Section 7-I of the EPF Act before the Employees Provident Fund Appellate Tribunal/Central Government Industrial Tribunal, in which, an order of interim stay was granted on 24.12.2021, on condition to deposit a sum of Rs.10 lakhs, which was duly complied with. Thereafter, the said appeal was dismissed on 28.08.2024. Aggrieved by the same, the present writ petition has been filed.

3.The learned counsel for the petitioner would submit that the financial difficulties were duly established before the Central Government Industrial Tribunal, Chennai; however, the Tribunal failed to exercise its discretion to reduce the damages. The learned counsel would further submit that the petitioner has paid the entire dues in terms of Section 7 of the EPF Act along with interest under Section 7Q of the Act. However, the petitioner sought waiver or reduction only with respect to the damages before the Tribunal, and the same was not considered or reduced, which is unsustainable. Therefore, this Court may exercise its discretionary power to reduce the damages, in view of the financial difficulties faced by the petitioner management. The learned kcounsel for the petitioner would further submit that a similar issue had already been considered by this Court following order of the Full Bench of Madurai Bench of Madras High Court passed in WP (MD) Nos.7339 of 2013 etc., batch

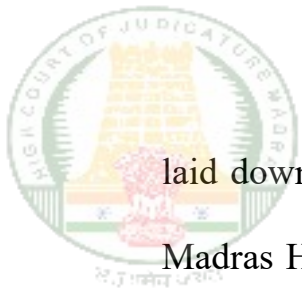


[Sun Pressings (P) Limited Vs. The Presiding Officer, Employees Provident Fund Appellate Tribunal] dated 03.06.2024 and prayed for reducing the amount levied for damages, and also this Court, in W.P No.25225 of 2011 had reduced the damages by taking into consideration the financial difficulties faced by a similarly situated company. Accordingly, he prayed for appropriate orders.

4.The learned counsel appearing for the respondent EPF authority would submit that the respondent does not dispute the power of this Court to reduce damages, in terms of decision rendered by the Full Bench of the Madurai Bench of Madras High Court in W.P (MD) Nos.7339 of 2013 etc., batch cases. The learned counsel would further submit that the petitioner company is a bottle manufacturing company and though it had established the financial difficulties faced by it before the Tribunal, at present the petitioner company is not under financial distress. Accordingly, he prayed for appropriate orders.

5.Heard the learned counsel appearing on either side and perused the materials available on record.

6. It is the contention of the learned counsel appearing for the petitioner that, since the petitioner establishment suffered financial difficulties, it was not able to pay the provident fund contribution on time. Hence, applying the ratio



laid down in the decision of the Hon'ble Full Bench of the Madurai Bench of Madras High Court in W.P (MD) Nos.7339 of 2013 etc., batch [Sun Pressings (P) Limited Vs. The Presiding Officer, Employees Provident Fund Appellate Tribunal] dated 03.06.2024, this Court is inclined to modify the order of the respondent dated 30.07.2019. Accordingly, this Court directs the petitioner to pay a sum of Rs.16,87,843/- [50% of Rs.33,75,686/-] towards damages, after adjusting the amount already deposited by the petitioner, within a period of four weeks from the date of receipt of a copy of this order.

7. This writ petition is allowed in part. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

06-04-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

Uma

To

1.The Central Government Industrial Tribunal Cum
Labour Court, Chennai

2.The Regional Provident Fund Commissioner II
Employees Provident Fund Organisation, Regional
Office, 101, 100 Feet Road, Sree Venni Commercial
Complex, Chollan Nagar,
Olandaikeerapalayam, Puducherry 605004.



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M.DHANDAPANI, J.

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