

**Brakes India Ltd (Brakes Division), Sholinghur-631 102, rep. by its Vice-President  
(Pers. & HRD)  
Vs  
Employees' Provident Fund Organization, Vellore rep. by its Regional Provident Funds  
Organization**

EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952- Sections 2(1) and 14B – Provident fund dues and damages – Liability for depositing PF contribution – In respect of employees of independent contractor who was allotted and has been holding his own PF Code No. – Not of principal employer but of the Contractor – Contractor committed default in paying EPF contributions – EPF Authority initiated proceedings under section 7A of the Act against the contractor directing the principal employer to pay the amount if the contractor is found having committed the default – Petitioner – principal employer filed writ petition challenging the order of the EPF Authority – Head, EPF Authority not entitled to recover either PF contribution or damages from the principal employer filed writ petition challenging the order of the EPF Authority – Held, EPF Authority not entitled to recover either PF contribution or damages from the principal employer – Contractors, registered with the PF Department, having independent Code number, are to be treated as independent Code number, are to be treated as ‘Independent employer’ – However, the liability of unregistered contractors, would fall on the principal employer in view of clause 30 of the EPF Scheme, 1952 – Accordingly writ petition is allowed.

For Petitioner: Mr. Sanjay Mohan for S. Ramasubramanian Associates, Advocates.

For Respondent: Mr. V.J.Latha, Advocate.

**IMPORTANT POINTS**

1. EPF Authority not entitled to recover either PF contribution or damages from the principal employer in respect of employees engaged through contractors, registered with the PF Department, having independent Code number.
2. Contractors, registered with the PF Department, having independent Code number, are to be treated as ‘independent employer’.
3. However, the liability of unregistered contractors, for payment of EPF contributions or damages, in case of default on his part, would fall on the principal employer, if not paid by the unregistered contractor, in view of clause 30 of the EPF Scheme, 1952.