

**CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL-CUM-
LABOUR COURT, ERNAKULAM**

Date: 20-04-2026

**PRESENT: SHRI SUSHIL KUMAR-II,
PRESIDING OFFICER**

Appeal Nos. 150 & 152/2022

BETWEEN

**The Chairman & Managing Director,
The Fertilizers and Chemicals Travancore Ltd.,
Head Office, Udyogamandal,
Ernakulam-683 501. ... I Party / Appellant**

AND

**The Regional Provident Fund Commissioner
Employees Provident Fund Organization,
36/685A, Bhavishyanidhi Bhavan,
Kaloor, Kochi - 682017. ... II Party / Respondent**

Appearance

For the Appellant M/s. B.S.Krishnan Associates, Advocates
For the Respondent Mr. Sanjeev Kumar K.Gopal, Advocate

These two appeals have been filed by the Appellant against separate Order Nos. KR/KCH/165/DAMAGES CELL/BB 1067/DAN I/2014 dated 17.03.2015 and KR/KCH/165/BB 979/DAMAGES CELL/DAM I/2014 dated 12-03-2005 of the Regional Provident Fund Commissioner, Kochi by which damages amounting to Rs.5700/- and Rs.5,75,938/- respectively was levied against appellant under Section 14B of the Act.

2. The learned counsel appearing on behalf of the Appellant submits that in these two appeals relief claimed by the Appellant and the issue involved is same, and thus, a common order may be passed. The learned counsel submits that the Appellant challenged the

appeals before the Hon'ble High Court of Kerala and the Hon'ble Court has quashed the orders passed by the Respondent authorities.

3. There was shortest possible delay in remittance and the amount was remitted within a period of one month, although the copy of the Hon'ble Single Bench judgement is not available on record, but on perusal of the judgement of the Division Bench of the Hon'ble High Court of Kerala in the case of M/s.Kerala Minerals & Metals Ltd and Others in W.A.No.1902 of 2017, 1384 of 2020 & 1385 of 2020 dated 26.03.2024, the Hon'ble Court held as under:-

"3. Learned Single Judge on analysis of the materials on record quashed the demand under Section 14B of the Act noticing that there was no question of damages as the amount was deposited within the shortest possible time of one month but upheld the demand under Section 7Q pertaining to interest at the rate of 12%.

4. Learned counsel appearing on behalf of appellant/petitioner submits that the learned Single Judge erroneously relied on the provisions of Section 7Q on the premise that it was a compensation and would relate back to the date of demand raised in 2005-2006, but the fact remains that the revision in the pay scale was with effect from 31.3.2010 and the amount was deposited on 26.04.2010, thus there was only a short fall of 25 days and therefore at the best the establishment can be burdened with interest for that period but not from 2005 for, the difference in the pay, that is on account of revision of pay had already been deposited in lump sum on 26.4.2010."

4. Thereafter, the Hon'ble Court has further observed as under:-

"8. It is a matter on record that the employees working in the establishment were being paid salaries as applicable and certified by the Government. However, the revision in the pay came into effect on 31.03.2010 with retrospective effect of 2005. The employers in this regard were therefore called upon and even otherwise required to deposit the amount with promptitude. In the present case, the amount, as evident from Ext.P3 was deposited on 26th of April 2010 and thus there was a delay of almost 25 days. The notice Ext.P7 though did not deal with quantification and the time period, the contention as tried to be raised before the single Bench and before us is for payment of the interest from 2005 onwards. We do not accept the aforementioned argument

for the reason that even in the cited judgment, the demand raised by the EPF from the date of eligibility till the date of remittance, as given by the High Court, was modified and in Sub clause (ii) of paragraph 8, the establishment/the company was held liable to pay only for the period when the amount had become due i.e., from January 2017 to December 2019. In this case also the petitioner would be liable to pay interest only for the period of 25 days and not for the period as sought to be projected. We thus set aside the finding of the learned Single Bench with regard to the upholding of the demand viz.a.viz. Section 7Q and confine it to the period as mentioned above."

5. The facts with relate to these appeals on hand are same. The revision in pay scale came into effect on 14.08.2010 with retrospective effect and the same was deposited on 14.12.2010. Thus, there was a delay of four months.

6. The learned counsel appearing on behalf of the Respondent argued that there was due since 2008, but revision of pay scale was carried out on 14.08.2010. Therefore, the Appellant may not imagine to pay the contribution in advance that he has to pay the contribution on the enhanced salary to the employees.


7. As per the provisions of Section 14B, there are three ingredients.

A. There must be default on the part of the employer in payment of any contribution to the fund payment of any charge.

B. The Authorised Officer may recover from the employer (by way of penalty such damages) not exceeding an amount of arrears for such damages, and

C. Limit of amount not to exceed arrears.

8. Thus, these provisions provide discretionary power to the Respondent to impose damages, if delay is caused by the employer on payment of contribution payable to the employees. But, this discretion must be used in discretionary method also. Since the revision of pay scale was made on 14.08.2010, therefore, there was a very short delay in payment of contribution as considered by the Hon'ble High Court of Kerala in the aforesaid case, whereby it



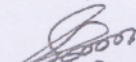
quashed the order of the Respondent authorities. Thus, the above judgement is applicable for adjudication of the present appeal also.

ORDER

The above appeals filed by the Appellant are allowed. The assessment orders passed by the Respondent are quashed. The amounts deposited by the Appellant at the time assessment of appeals has to be returned back to the Appellant within a period of two months. Ordered accordingly.

Record be consigned to the record room.

Place: Ernakulam
Date: 20-04-2026


(SUSHIL KUMAR) ~~16~~
Presiding Officer

