

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL-CUM-LABOUR COURT,  
ERNAKULAM

Date: 09-03-2026  
(SPECIAL CAMPAIGN)

PRESENT: SHRI SUSHIL KUMAR-II,  
PRESIDING OFFICER

Appeal No. 28/2023

BETWEEN

M/s. Trichur Co-operative Spinning Mills Ltd,  
Vazhani P.O.,  
Trichur - 680589

... I Party / Appellant

AND

**The Assistant Provident Fund Commissioner**  
Employees Provident Fund Organization,  
36/685, Bhavishyanidhi Bhavan,  
Kaloor, Kochi - 682017.

... II Party / Respondent

Appearance

For the Appellant

Mr. T.R.Ramachandran Nair

For the Respondent

Mr. S.Prasanth

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This appeal has been filed by the Appellant against Order No. KR/KC/13073/PD/B/T(1)2005/4018 dated 08-07-2005 of the Assistant Provident Fund Commissioner, Kochi by which damages amounting to Rs. 65,581/- was levied against appellant under Section 14B of the Act.

2. The Appellant stated that assessment is made at high point without assigning any reason to impose maximum amount of damages.

3. 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.

4. These were three ingredients specified that there must be some due payable to the employer and the Authorized Officer may recover it not exceeding the amount of arrears. Thus, Section 14B of the Act is enabling provision and does not envisage any compulsion to levy damages in all cases up to a maximum limit. Before levy of damages, on the given circumstances must be considered by the authority before imposing damages.

5. Having gone through the record and after hearing upon the parties, it appears that the Respondent authority has imposed maximum penalty without assigning any plausible reasons.

6. The learned counsel appearing on behalf of the Appellant relied on the judgement in the case of Kerala State Civil Supplies Corporation Vs. APFC in W.A No.971 of 2023 dated 22.08.2024. In that case, the Hon'ble High Court fixed the damages at 15%, since the Appellant was a Government Undertaking and reasons for the delay stated by the Appellant had reasonable justification. This judgement relates to a particular case and the facts are entirely different from the present case on hand. However, taking into consideration the facts and circumstances of the case, it is appropriate to waive of 37% of the amount of damages.

### ORDER

Therefore, in view of the statements made by both the parties and considering the facts of the present case, it is appropriate to waive 37% of the amount of damages assessed by the Respondent. Ordered accordingly.

Record be consigned to the record room.

Place:Ernakulam  
Date: 09-03-2026



(SUSHIL KUMAR II)  
Presiding Officer