BEFORE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL CUM LABOUR COURT, No. 1 DELHI

D-1/51/2022

M/s ARC Services vs. Union of India RPFC East & Anr.

Present: Sh. L.B. Rai & Sh. Satwik Rai, Ld. Counsels, for the Appellant.

Sh. Narender Kumar, Ld. Counsel & Sh. Surrender Singh, A/R for the Respondent.

Order dated-23.07.2025

This is a an appeal preferred by the appellant establishment assailing the order dated 28.06.2022 passed under Section **14B & 7Q of the EPF & MP Act, 1952 (hereinafter referred as the Act)** wherein the respondent has assessed an amount of Rs.7,37,385/- as damages and Rs. 3,99,909/- as interest for belated payment of PF dues for the period 14.09.2014 to 29.02.2020.

Along with the appeal, the appellant has also filed a misc. application seeking stay on execution of the impugned orders wherein a prayer is made for issuing directions to the respondent not to initiate any recovery proceedings u/s 8 of the Act. In the said appeal it is stated on behalf of the appellant that respondent had failed to observe that the employee/ beneficiaries of the appellant were getting more than Rs.15,000/- as wages and therefore, the Act would not be applicable on the appellant. It is further stated that respondent departments has failed to identify the beneficiaries and the appellant has an apprehension that if the amount is not paid to the respondent department, it would initiate proceedings for recovering the amount u/s 8 of the Act.

Ld. Counsel for the respondent has opposed the said application by way of his written reply which is found on record. In the said reply the respondent has denied all the contentions cited in the appeal stating that they are wrong and therefore, the said application seeking stay be dismissed.

Ld. Counsel for the appellant while arguing on the contentions raised in his application stated that respondent has failed miserably in identifying the beneficiaries. He is further relied upon the judgments passed by Hon'ble Supreme Court on 26.10.1989 in the **Civil appeal no. 4552 of 1989 titled as Food Corporation of India vs Provident**

Fund Commissioner and Ors. **and in the Civil appeal no. 5717 and 5718 of 2001 titled as H.P. State Forest Corporation vs Regional Provident Fund Commissioner** decided on **03.04.2008.**

Opposing the above arguments of the appellant's counsel**,** ld.counsel for the respondent submitted that the present appeal has been filed by the appellant against two orders passed under section 14B and 7Q of the Act wherein certain amount has been assessed and levied due to the belated payment of EPF dues. Therefore, no question of identification arises as establishement has deposited the dues in respect of such employees which are already identified.

I have heard the arguments presented by both the parties and perused the record. This is the appeal where the respondent had passed the order under section 14B & 7Q of the Act for levying the damages and interest for belated payment of EPF dues. Arguments of the Ld. Counsel for the appellant regarding identification of workers is misconceived and in a wrong direction. The appellant has deposited the contribution of the employees belatedly, hence, damages and interest thereon has been levied.

Considering the above facts on record, although, nothing has been brought on record whereby he appellant had showed the prima-facie case, yet the operation of the impugned order is stayed subject to deposit of Rs.2,84,324/- which is approximately 25% of the amount assessed u/ s 14B as well as 7Q of the Act by way of a FDR favoring 'Registrar CGIT' initially for a period of one year having auto renewal mode thereafter within eight weeks. In the meanwhile, interim order, to continue till next date of hearing. It is made clear that if the appellant fails to comply with the condition of stay within the period mentioned above, the stay granted shall be vacated and respondent authority will have the liberty to proceed for recovery of amount as per law. Put up on 29.09.2025 for reporting compliance as well as filing of reply to the main appeal by the respondent.

Sd/-
Atul Kumar Garg
(Presiding Officer)