

**BEFORE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL
CUM LABOUR COURT, DELHI**

Appeal no. D-1/08/2022 /972/973

M/s. Modern Stage Services

.....Appellant

Through:- Sh. S.K. Khanna, Ld. counsel for the appellant.

Vs.

APFC, Delhi (Central)

.....Respondent

Through:- Sh. B.B. Pradhan, Ld. counsel for the respondent.

Order:-Oral

Order Dated:- 19.09.2025

The appellant, a covered establishment under the provisions of the **Employees' Provident Funds & Misc. Provisions Act, 1952 (Hereinafter referred to as 'the Act')**, has assailed the orders dated 26.11.2021 passed by Ms. Maneesha Agarwal (APFC, Delhi(c)) under section 14-B and 7-Q of the Act, whereby the respondent assessed the dues to the tune of Rs. **2,18,835/-** and **Rs. 131576/-** respectively, towards damages and interest on the belated payment of Provident Fund contributions in respect of its employees.

The appellant has assailed the orders on the ground that, out of proposed damages as per summons dated **26.02.2020**, it had already deposited damages and interest for the period 12/2017 to 05/2018 and for the period 01.01.2019 to 03/2019 on 24.12.2019. It was further submitted that the delay in payment of dues was not intentional and deliberate but because huge amount of Rs. 16,01,65,846/- and Rs. 13,79,07,023/- could not be recovered from the clients, which created liquidity problem. Moreover, due to the outbreak of Covid-19 pandemic, the appellant could not file detailed submissions before the respondent during the inquiry proceedings. The appellant further contended that the respondent has failed to consider the payment of Rs. 1,50,000/-

made on 24.12.2019 during the course of proceedings, while passing the impugned orders.

The respondent filed a counter-reply of the appeal, wherein it was stated that the plea taken by the appellant regarding deposit of Rs. 1,50,000/- during the course of proceedings is a matter of record, meaning thereby they have admitted the position that during the course of proceedings carried out, the appellant had paid an amount of Rs. 1,50,000/- which had not been adjusted from the final calculation. Except this, the respondent has opposed each and everything stating that the orders under section 14B and 7Q of the Act were passed after giving reasonable opportunity of being heard. It lastly submitted that the appeal be dismissed.

I have heard the arguments advanced by both parties and perused the record of the case. Before proceeding further, section 14-B and 7-Q of the Act are required to be reproduced herein:

14B. Power to recover damages.—Where an employer makes default in the payment of any contribution to the Fund 3[, the 2[Pension] Fund or the Insurance Fund] or in the transfer of accumulations required to be transferred by him under sub-section (2) of section 15 4[or sub-section (5) of section 17] or in the payment of any charges payable under any other provision of this Act or of 5[any Scheme or Insurance Scheme] or under any of the conditions specified under section 17, 6[the Central Provident Fund Commissioner or such other officer as may be authorised by the Central Government, by notification in the Official Gazette, in this behalf] may recover 7[from the employer by way of penalty such damages, not exceeding the amount of arrears, as may be specified in the Scheme:] 8 [Provided that before levying and recovering such damages, the employer shall be given a reasonable opportunity of being heard]: 9 [Provided further that the Central Board may reduce or waive the damages

levied under this section in relation to an establishment which is a sick industrial company and in respect of which a scheme for rehabilitation has been sanctioned by the Board for Industrial and Financial Reconstruction established under section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985, subject to such terms and conditions as may be specified in the Scheme.]

7Q. Interest payable by the employer.—The employer shall be liable to pay simple interest at the rate of twelve per cent. per annum or at such higher rate as may be specified in the Scheme on any amount due from him under this Act from the date on which the amount has become so due till the date of its actual payment: Provided that higher rate of interest specified in the Scheme shall not exceed the lending rate of interest charged by any scheduled bank.]


Record reveals that the appellant was not able to demonstrate any cogent reason for reduction in the damages. Its plea that the amounts had not been received from the clients has also fallen flat in view of the fact that the appellant had been running the business in crores, whereas the damages for belated remittance are only a few lakhs. Therefore, the appellant's plea of financial constraints is not tenable.

The appellant's plea that the respondent authority failed to consider his plea of financial hardship arising from the outbreak of Covid-19 pandemic is also not tenable, particularly because the delay in remittance of the assessed Provident Fund dues are prior to the inception of Covid-19 period which started from 25.03.2020.

During the course of arguments, the Ld. Counsel for the appellant stated that his prayer was limited to the adjustment of Rs. 1,50,000/- paid during the course of proceedings before the Ld. APFC, as well as 15% of the assessed amount, i.e., (Rs. 40,103/-) which stands already

deposited with the respondent as a pre-condition for granting stay on the impugned order by this Tribunal. His prayer is accepted.

In view of the above discussion, the appeal stands dismissed. The respondent is directed to recover the damages and interest component after reducing the amount of Rs. 1,50,000/-, which has not been disputed by the respondent during the course of proceedings along with 15% of the assessed amount (Rs. 40,103/-). The files are consigned to the record room.


[Redacted Signature]