

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

Appeal No. D-1/27/2025

M/s Skyline Air conditioning Engineers Pvt. Ltd. vs. APFC/RPFC, Delhi South.

Present: Sh. Sanjay Kumar, Ld. Counsel for the appellant.
Sh. S.N. Mahanta, Ld. Counsel for the respondent.

Order dated-05.12.2025

ORAL

1. Appellant has preferred the present appeal, assailing the order dated 04.04.2025 passed by the Ld. Assistant Provident Fund Commissioner, Delhi South, **under section 14B & 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (hereinafter referred to as "the Act")**, whereby the respondent has determined the dues to the tune of Rs. 33,33,281/- and Rs.22,03,542/- respectively, for the period 07/2018 to 02/2024.

2. During the course of arguments, the appellant has assailed the said order on the grounds inter-alia that the appellant has not been provided sufficient opportunities to represent his case before the respondent as he was afforded a single hearing on 30.07.2024 and the case was reserved for order. His next contention is that the respondent authority kept this order reserved for a period of eight months and issued the order once he was transferred from RO Delhi South to Chandigarh.

3. Per contra, respondent has filed a reply, opposing the prayer made in the appeal wherein he had first narrated the object of the **Employees' Provident Funds & Miscellaneous Provisions Act, 1952**, which meant for providing social security to employees working in any establishment engaging 20 or more persons on any day. Subsequently, he had narrated the

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facts that provident fund and other contributions have to be deposited by the employed by 15th of the next month. Replying to the first contention raised by the appellant, Id. counsel for the respondent submitted that during the enquiry proceedings conducted on 30.07.2024, the establishment's representative did not raise any objection to the computation provided by the department vide notice dated 26.06.2024. Therefore, as per the respondent, the hearing opportunity was provided to the establishment which was availed by Sh. Paramjeet Bajaj who appeared on behalf of the establishment and acknowledged the computation given by the department.

4. To the second contention that the respondent authority had kept the order reserved for eight months since 30.07.2024 and issued the order on 28.03.2025 which was issued by the department on 04.04.2025, Id. counsel for the respondent submitted that it is a matter of fact that officer was transferred vide order dated 27.03.2025, yet he was not relieved from his duties assigned at RO Delhi South till 28.03.2025.

5. I have heard the argument at bar and gone through the record. Before proceeding further, provisions of section 14B and 7Q of the Act is required to be reproduced herein-

14B. Power to recover damages.—Where an employer makes default in the payment of any contribution to the Fund [, the [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 [any Scheme or Insurance Scheme] or under any of the conditions specified under section 17, [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 [from the employer

by way of penalty such damages, not exceeding the amount of arrears, as may be specified in the Scheme:]

[Provided that before levying and recovering such damages, the employer shall be given a reasonable opportunity of being heard]:

[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.]

Further, it is also evident from the record that the respondent had issued a notice for levy of damages and interest on 26.06.2024 affixing a date of hearing on 16.07.2024 when no one appeared on behalf of the appellant. Therefore, the matter was adjourned for 30.07.2024 when one Sh. Pramjeet Bajaj had appeared as A/R on behalf of the appellant. It is also recorded in the impugned order that the said A/R stated that he had received the notice

and agreed to pay the amount mentioned in it. Therefore, the case was reserved for order.

6. However, this tribunal is unable to understand that once the matter was heard on 30.07.2024 and according to the respondent, the appellant had admitted the liability, why the matter was kept pending for issuing the order for eight months. Further, once the respondent authority was transferred on 27.03.2025, a two page order was issued on 28.03.2025 in haste. The respondent has also failed to produce the trial court record which shows the admission of liability on part of the appellant.

7. Considering the overall circumstances, this tribunal is of the view that there is no point in dragging the adjudication of this matter once it is evident that the impugned order is passed by the respondent in haste without giving ample opportunity of hearing to the appellant.

8. The impugned order passed by the respondent is set aside. The matter is remanded back to the respondent for deciding it afresh within four months from the date of receipt of this order. Appellant is directed to appear before the respondent authority on 27.01.2026 at 12 P.M. for representing his case. He is further directed to extend all support to the respondent authority in adjudication of the matter without causing unnecessary delay.

Sd/-

Atul Kumar Garg
(Presiding Officer)