

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

D-2/20/2025

M/s Launch My Career Pvt. Ltd. Vs. APFC/RPFC-II, RO Noida and Ors.

Present: Sh. Prakash Kumar, Ld. Counsel for the Appellant.
Ms. Santwana Agarwal, Ld. Counsel & Sh. Vijay Pal Singh,
A/R for the Respondent.

Order Dated-12.11.2025

ORAL

1. The Appellant has pressed his application for stay of the impugned order passed by the respondent, whereby an amount of Rs.22,17,347/- and Rs.11,92,511/- **under section 14B & 7Q of the EPF & MP Act, 1952 (hereinafter referred as the Act)** has been assessed. It has been stated that the appellant was never given any opportunity to produce his side of story, submission, and documents to the Id. Respondent Authority. The appellant further stated that he has been dealing in education sector. Problem started when most of its customers didn't pay the money on time. Non-payment/ late payment completely ruined the money rotation cycle of the establishment. He has paid the contribution to the provident fund belatedly after taking the loan from the friends and relatives. As such he has made prayer that the stay on execution of the impugned order be granted without conditional deposit.
2. The Respondent has filed the reply opposing the prayer and stated that financial difficulty is no ground to waive the damages. So far so the impugned order being ex-parte is concerned, this Tribunal has already dealt with the issue and condoned the delay. Despite several notices and reminders sent to the appellant for joining the enquiry, he choose not to join the enquiry and remain reluctant.

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3. I have heard the arguments and perused the record. Before parting any opinion on the issue, it is necessary to reproduce the section 14 B as well as Section 7 Q of 'the Act':-

Section 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 [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, [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:] [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.]

7 Q 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.]

So far so the plea of the appellant that he has taken the debt from the relative and friends to pay the Provident Fund is concerned that has no relevance in the present case. Present case pertains to the damages for belated remittance and interest. Reason given by the appellant has to be dealt at the time of final arguments because one of the primary purpose of the Act is not to ruin the industry rather than to create the employment also.

4. Considering the above fact the appellant is required to deposit the interest component which has been levied because that amount has to be credited in the account of subscriber. Appellant is directed to deposit the interest component by way of **FDR** favoring '**Registrar CGIT**' initially for a period of one year having auto renewal mode, within six weeks from the date of issuance of the order. With this the impugned order shall be stayed till the final disposal of the appeal. Put up on 07.01.2026 for reporting compliance by the appellant as well as reply to the appeal by the respondent.

Sd/-

Atul Kumar Garg
(Presiding Officer)

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