

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

D-1/02/2024

M/s Delhi Gymkhana Club Ltd. vs. APFC/RPFC Delhi Central.

Present: Sh. M.Y. Khan, Ld. Counsel for the Appellant.
 Sh. R.K. Verma, Ld. Counsel for the Respondent.

Order Dated-02.07.2025

1. Today the case is listed for argument on miscellaneous application filed on behalf of the Appellant seeking ad-interim ex-parte stay as well as the application filed U/s **7-O of the EPF & MP Act, 1952** (hereinafter referred as the Act).
2. Ld. Counsel for the appellant submitted a letter dated 12.06.2025 addressed to RPFC, Delhi Central wherein it is stated that an amount of Rs.69,15,668/- stands deposited by way of a demand draft favoring the RPFC. He submits that whole amount levied u/s 7Q stands deposited with the respondent and requested to decide his misc. application filed for seeking stay on execution of the impugned passed u/s 14B of the Act.
3. Ld. Counsel for the appellant while pressing his misc. application filed for seeking stay stated that the exemption granted to the appellant establishment was canceled vide order dated 23.03.2022, directing the appellant to comply with the provision of the Act as an exempted establishment w.e.f. 01.04.2022. It was also directed to transfer the securities lying with the trust to the respondent organization. In response to the said order, the appellant establishment requested to grant the extension of ninety working days for the process of liquidation of securities and thereafter, submitting the same with the office of the respondent. Thereafter, the appellant wrote a letter dated 10.05.2022 to the respondent department seeking kind approval for liquidation of all securities related to the PF trust. The main crux of the arguments made by the Id. Counsel for the appellant is that the delay in depositing the amount

of securities occurred due to the time taken in liquidation of the said securities which resulted into imposition of damages by the respondent department.

4. Ld. Counsel for the respondent has filed reply to the misc. applications as well as to the main appeal. While submitting his arguments opposing the stay application Id. Counsel for the respondent stating that the appellant was required to submit securities of the trust within a period of thirty days from the date of cancelation of the exemption. To support his submission, Id. Counsel for respondent relied upon the letter dated 20.04.2022 issued to the appellant establishment wherein it was conveyed that the request to grant extension of ninety working days cannot be acceded to in the light of the provision of the Act and the Schemes framed thereunder.
5. I have heard the arguments at bar and perused the record. M/s Delhi GymKhana Pvt. Ltd. is an exempted establishment u/s 17 (2) of the Act. As the trust was found malfunctioning their exemption was withdrawn vide order dated 23.03.2022 which was effected from 01.04.2022. It was directed to prepare past accumulation statement showing the amount standing to the credit of each employee/member on the date of transfer as on 01.04.2022, the total accumulation to the credit of subscribers on the date of transfer as on 01.04.2022 and the advances, if any, taken by the employee/member along with annexure A reflecting membership details of the members to the RPFC. He is required to deposit the cash within ten days from the date of effecting the dated i.e. 01.04.2022. Securities are required to be deposited within thirty days from 01.04.2022.
6. It is a matter of fact that cash has been deposited within time. So far so the securities are concerned appellant had written a letter to a EPFO on 31.03.2022 whereby he has requested to kindly grant an extension of ninety days for liquidation of securities. Letter has been replied on 20.04.2022 rejecting the request by mentioning the para 28 read with section 17 (5) of the Act where the time limit was prescribed. Again, a letter was written for seeking approval by the appellant to the respondent on

10.05.2022. The letter was replied on 17.05.2022. Ultimately the amount was deposited after a delay of four month i.e. 03.09.2022.

7. In these scenario enquiries was initiated by giving a notice dated 07.07.2023 for levying the interest as well as damages. Ultimately the respondent has imposed the interest of Rs.69,15,668/- and damages of Rs.82,08,762/-.
8. It is admitted fact herein the appellant has deposited the amount of interest. Damages have been levied for belated payment of the security. The respondent department has not replied as to why he had not stated that the security which was in hand with the appellant shall be given to him. Respondent department instead of asking the security to be deposited with him started replying the same mentioning the provision therein.
9. Correspondence made by the appellant reveals a prima facie case exists in favour of the appellant. However, considering the delay in making the payment for about four month, at least appellant should be burden to deposit the 10% of the assessed damages. Accordingly, the appellant is directed to deposit an amount of 10% of Rs.82,08,762/- by way of FDR favoring Registrar CGIT initially for a period of one year having auto renewal mode thereafter within a period of eight weeks from today. Put up the matter on 08.09.2025 for reporting compliance as well as filing of rejoinder, if any by and on behalf of the appellant. 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 imposed for granting stay, there shall be no stay and respondent department shall have the liberty to recover the amount as per law.

Sd/-
ATUL KUMAR GARG
(Presiding Officer)