

**BEFORE CENTRAL GOVERNMENT INDUSTRIAL
TRIBUNAL CUM
LABOUR COURT, DELHI-1**

D-1/53/2022

M/s Energo Constructions Ltd. Vs. RPFC, Delhi (East).

Present: Ms. Neetu Mishra, Id. Counsel for the
Appellant.
Sh. Abhishek Sharma, Id. Counsel for the
Respondent.

1. The appellant had filed the present appeal under section 7-I read with section 7-D of the EPF & MP Act, 1952 (hereinafter referred as 'the Act') challenging the order conveyed to the appellant vide email dated November 14, 2022 passed by the respondent vide which the interest liability to the extent of Rs.11,13,139/- assessed under section 7Q of the Act and damages to the extent of Rs.8,63,876/- assessed under section 14B of the Act were imposed upon the appellant. Along with the appeal, the appellant has also filed an application seeking stay of operation of the impugned orders of respondent during the pendency of the present appeal.
2. The respondent has filed a written reply contesting the appeal of the appellant. The respondent has also filed written reply strongly opposing the stay application filed by the appellant.
3. I have heard the Id. counsels for the parties.
4. Id. counsel for the appellant has argued that the appellant was to receive considerable amount of payments from the clients of the appellant which had been substantially delayed. Id. counsel for the appellant has further argued that the functioning of the appellant had been adversely affected during the relevant period due to Corona Epidemic and the appellant had suffered huge losses during the above said period. Id. counsel for the appellant prayed

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that the delay in the deposit of provident fund contribution by the appellant was not intentional but was due to the circumstances beyond its control. Ld. counsel for the appellant has prayed that the operation of the impugned orders be stayed during the pendency of appeal.

5. Per contra, ld. counsel for the respondent has strongly denied the averments made by the ld. counsel for the appellant. Ld. counsel for the respondent has alleged that the appellant has intentionally delayed the payment of the provident fund contributions in respect of its employees without any sufficient reason. Ld. Counsel for the respondent has contended that since the impugned order under section 7Q of the Act was an independent order and not a part of any composite order, therefore, the appeal of appellant against the impugned order under section 7Q of the Act was not maintainable under section 7-I of the Act. Ld. counsel for the respondent has defended the impugned orders passed by the respondent as being perfectly legal and valid and has prayed that the stay application of the appellant should be dismissed.
6. Hon'ble Supreme Court of India has clearly held in **Arcot Textile Mills Limited Vs. Regional Provident Fund Commissioner** (Civil Appeal no. 9488/2013 decided on October 18, 2013) that an appeal challenging an independent order under section 7-Q of the Act which is not a part of a composite order under the Act is not maintainable. In the present case, clearly, the impugned order under section 7-Q of the Act was not a part of any composite order but was an independent order.
7. The appellant claims to have suffered serious financial crunch due to the delay in payments it was to receive from its clients. Judicial notice can also be taken of the fact that

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industrial establishments all over the country had suffered considerable losses during the period of Corona epidemic. Whether or not the respondent was justified in imposing the damages under section 14B of the Act upon the appellant for delayed payments remains to be examined.

8. I am satisfied that the present appeal involves a number of arguable issues which would require a detailed hearing of the main appeal.
9. In view of the law laid down by Hon'ble Supreme Court in Arcot Textile Mills Limited case (Supra.), no ground is made out for staying the operation of the impugned order under section 7-Q of the Act. Keeping in view the plea of the appellant that the payments from its clients had been delayed, its financial condition had been adversely affected during the Corona Epidemic and the arguable issues involved in the appeal, the operation of the impugned order under section 14B of the Act shall remain stayed subject to deposit of FDR of a nationalised bank equivalent to fifty per cent of the impugned amount imposed under section 14B of the Act for a period of one year on auto-renewal basis in favour of the Registrar, CGIT by the appellant within a period of six weeks from the date of this order. In case of non-compliance of this direction by the appellant, the above said stay would stand automatically vacated.
10. Put up the case file on 24.04.2026 for reporting of compliance of the above-said order. In the meanwhile, the interim stay already granted in respect of the impugned order under section 14-B only of the Act is extended up to the next date of hearing.

Sd/-

(Ajay Kumar Jain)

Presiding Officer

CGIT-cum-Labour Court, Delhi-1

20.02.2026