# BEFORE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL CUM LABOUR COURT, DELHI

**D-2/03/2026**

**M/s. Genus Paper & Board Ltd. vs. APFC/RPFC, Meerut & Recovery Officer, Muzaffarnagar**

Present:

Sh. Prakash Kumar, Ld. Counsel for the appellant.

Sh. Narendra Kumar, Ld. Counsel for the Respondent.

**Oral:-**

**Order Dated:-27.05.2026**

The Ld. Counsel for the appellant has pressed his application seeking stay of execution of the impugned orders passed by the respondent under section 14B and 7Q of the **Employees Provident Fund and Misc. Provisions Act, 1952 (Hereinafter referred to as 'the Act'),** whereby the respondent authority has assessed damages and interest for the period from 22.09.2010 to 31.03.2020, levying Rs. 14,12,298/- and Rs. 7,87,726/-respectively.

The plea of the appellant is that the said orders were passed by the respondent illegally and unjustifiably without any authority. According to the appellant, it had taken over the erstwhile M/s. N.S. Papers Ltd. (Originally M/s. Rana Paper Ltd.) by the order of Hon'ble NCLT, Allahabad in I.A. no. 246/2020 in CP no. (IB) 395/ALD/2018 dated 23.02.2021 whereby the resolution plan submitted by the appellant was accepted. According to the appellant, the Hon'ble NCLT clearly observed in Para no. 20 of its order that the total liability of workmen and employee related statutory dues (PF & ESI) is only Rs. 1.14 crore. The respondent, vide letter dated 23.06.2022, informed the appellant that it was required to deposit Rs. 59,42,022/- towards PF liability in terms of above order dated 23.02.2021, which was deposited by the appellant by way of demand draft. However, the appellant was shocked to receive a letter dated 29.05.2023 whereby the proceedings were initiated for delay in remittance of PF dues by the erstwhile company M/s. Rana Paper Ltd. According to the appellant, once it had complied with the order passed by the PF authority under section 7A of the Act, it couldn't be held liable subsequently for the same period in regard to the damages and interest.

The Ld. Counsel for the appellant also drew attention of this Tribunal to the unusual circumstance that it received a letter dated 29.05.2023 asking the establishment to explain how it had arrived at the figure of Rs. 59,42,042/-, though this amount had been asked to deposit by the respondent itself. The respondent also arrived at the same amount after conducting its enquiry. Earlier to that, the respondent had passed an order dated 11.05.2022, which the appellant claims it never received.

The respondent filed a reply to the appeal, stating that no appeal lies under section 7-Q of the Act. In respect of section 14B of the Act, it is contended that the appellant has no cause of action to move the instant application, and there is no cogent reasons as even worth to be recorded in writing to exempting or reducing the amount to be deposited under section 14B of the Act. It is further submitted that the appellant failed to perform their legal duty to comply with the provisions of the Act and failed to deposit the EPF and allied dues for the enquiry period 22.09.2010 to 31.03.2020. The establishment despite being given multiple opportunity as mentioned above, failed to represent their case which is manifestation of the fact that the establishment had nothing to say in the matter. It is also submitted that it was held by the Hon'ble Supreme Court that financial problems are not a ground for non-deposit of PF dues. It was, therefore, submitted that the application is liable to be dismissed.

I have heard the arguments advanced by both parties, perused the record and gone through the impugned orders. The appellant has assailed the said orders on several grounds, *inter-alia,* as per adjudicating authority it was liable to pay PF, ESI and other dues only up to the limit of Rs. 1.14 crore. It is also contended that it was the respondent itself which directed the appellant to deposit an amount of Rs. 59,42,042/- vide letter dated 23.06.2022, which was complied with. Thereafter, the respondent concluded the enquiry after issuing notice to the appellant asking for an explanation as to how the amount of Rs. 59,42,042/- had been arrived at, despite the fact that the said amount had been demanded by the respondent itself. An enquiry had been concluded in 2023, and after concluding the enquiry and accepting the deposit, the respondent initiated this enquiry for belated payment. It is also submitted that the respondent is not otherwise liable to pay as it had taken over the erstwhile M/s. N.S. Papers Ltd. (Originally M/s. Rana Paper Ltd.) in pursuance of an order of Hon'ble NCLT, Allahabad.

Considering the above facts, particularly when the authority of the respondent in levying the damages and interest is itself under challenge, the orders passed by the respondent under section 14B and 7Q of the Act are stayed unconditionally.

Reply to the main appeal is already on record. The appellant is directed to file its rejoinder within four weeks and supply a copy thereof to the Ld. Counsel for the respondent.

Accordingly, the matter is listed for final arguments on 15.07.2026.

Atul Kumar Garg
(Presiding Officer)