



कर्मचारी भविष्य निधि संगठन  
EMPLOYEES' PROVIDENT FUND ORGANISATION  
श्रम एवं रोजगार मंत्रालय, भारत सरकार  
Ministry of Labour & Employment, Govt. of India  
क्षेत्रीय कार्यालय, बरेली, उत्तर प्रदेश  
REGIONAL OFFICE, Bareilly, U.P.  
111, सिविल लाईन, बरेली-243001  
111, Civil Lines, Bareilly - 243001  
वेबसाईट : www.epfindia.gov.in, www.epfindia.com  
email- ro.bareilly@epfindia.gov.in

Telephone : (0581) 2510628  
Fax : (0581) 2511283



No 50446 /EPF/RO/Bareilly/Damage/UP/31643

Date: 18/08/2020

## “Order under Section 14-B & 7Q of the Employees Provident Fund & Miscellaneous Provisions Act, 1952”

Whereas M/s Mahendra Singh, Vill Kiratpur Kudda, Aonla, Bareilly (herein after referred as “The Establishment”) has been covered under the purview of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 (hereinafter referred as “The Act”) and Code No-UP/31643 has been allotted for remitting:

- i) The provident Fund Contribution under Section-6 of the Act. read with para-38 of the EPF Scheme-1952.
- ii) The Pension Fund Contribution under Section-6A of the Act. read with Para-4 of the Employees Pension Scheme-1995.
- iii) The Insurance Fund Contribution under Section-6-C of the Act.
- iv) The Administrative Charges under Para-38 of the Employees Provident Fund Scheme-1952. and
- v) The Administrative Charges under Employees Deposit-Linked Insurance Scheme-1976.

And whereas the Employer in relation to the establishment failed to remit some of the Provident Fund and Allied dues for the period from **23/08/2017 to 08/11/2019** within stipulated time frame i.e. within fifteen days from the close of every month as per para-38 of EPF Scheme, Para-3 of Pension Scheme-1995 and Para-8 of EDLI Scheme-1976. A notice under Section 14-B of the Act was issued to the establishment by the department of EPFO bearing no: UP/BLY/31643/000/ENF/511/Damages/50706 dated-14/11/2019 to show cause as to why damages as envisaged under section 14-B of the Act may not be levied and recovered from the establishment.

It is undisputed fact that before determining damages under Section 14-B of EPF Act, show cause notice was issued relating to hearing establishment. However, establishment did not avail the remedy of hearing. In other words, the establishment had not submitted reply to the show cause notice or any material had been produced seeking for reducing or waiver of damages levied against the establishment.

Now, I decide to proceed to finalize the assessment of damages & interest amount to avoid unnecessary prolonging to the disposal of this case.

I have examined the issue in the light of above facts. The EPF Act is meant to provide social and financial security to the downtrodden section of the society at the time of their retirement, death during service, medical treatment, etc. The EPF Act is a social welfare legislation which cannot be done away with and strict adherence to its provisions is mandatory. Under this Act, the employer is duty bound to

make the Provident Fund contributions on time and in case of any default, the employer is liable to pay damages. Any delay in payment of the amount under Section 6 of the EPF Act causes a loss to the beneficiary of the scheme. Thus the damage that is sought to be recovered from the employer is for the purpose of indemnifying the beneficiaries for the loss that they have suffered. In support of his contention reliance is placed on, Bharat Plywood & Timber Products (P) Ltd. vs. Employees Provident Fund Commissioner and Ors", (1977) 1 LLJ 379 Ker. The purpose of Section 7Q of the EPF Act is to recoup the loss of interest sustained by the subscriber on account of the belated remittance to the fund.

I find it fit to levy damages for the delay period as per provisions of the EPF Scheme-1952 as it will serve the dual purposes i.e. deterrent to defaulting employer and compensative to the EPFO. Accordingly by virtue of Section 14-B of the EPF & MP Act-1952, I, **Dhirendra Kumar Bharat Singh Meena, Assistant Provident Fund Commissioner, RO-Bareilly**, levy damages as per schedule-I (Account Wise) given below: -

**Schedule-I**

A/c No-I	A/c No-II	A/c No-X	A/c No-XXI	A/c No-XXII	Total
1120/-	41/-	598/-	35/-	NIL	1794/-

(Rs One thousand seven hundred ninety four only)

Further, the establishment is liable to make payment of interest as per the provisions under Section 7-Q of the Act as mentioned in Schedule-II below: -

**Schedule-I**

A/c No-I	A/c No-II	A/c No-X	A/c No-XXI	A/c No-XXII	Total
2686/-	94/-	1434/-	86/-	NIL	4300/-


(Rs Four thousand three hundred only)

The total amount payable on account of damages under section 14-B and interest under section 7-Q of EPF & MP Act-1952 comes to Rs: **6094/- (Rs. Six thousand ninety four only)**.

I direct the employer in relation to the establishment to deposit damage and interest account wise as specified above, within 15 days from date of issue of the order through ECR and submit copy of Challan to the undersign otherwise the same be recovered from the establishment as prescribed provision U/s 8B to 8G of EPF and MP Act 1952.

I further order that the employer is liable to pay interest at the rates as specified under Section 7Q of the Act from the date on which such amount are due and also up to the period up to which damages remain unpaid from the date of the order.

Issued under my hand and seal on <sup>th</sup> day of August 2020.

  
(Dhirendra Kumar Bharat Singh Meena)  
Assistant Provident Fund Commissioner

To,

M/s Mahendra Singh,  
Vill Kiratpur Kudda, Aonla,  
Bareilly