सत्यमेव जयते

कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation
श्रम एवं रोजगार मंत्रालय, भारत सरकार
Ministry of Labour & Employment, Govt. of India
क्षेत्रीय कार्यालय, लखनऊ / Regional Office, Lucknow
भविष्य निधि भवन, विभूति खण्ड, गोमती नगर, लखनऊ -226010
Bhavishya Nidhi Bhawan, Vibhuti khand, Gomti Nagar, LUCKNOW – 226010
दूरभाष / Phone : 0522-2304984 E-mailro.lucknow@epfindia.gov.in

No. PF/RO/UP/LKO//Damages 3293 Date- 13 /02/2026

Employees' Provident Fund & Miscellaneous Provisions Act' 1952-
Levy of Damages U/s 14B- regarding EPF Code No.-UP/LKO/46554
Diary Number- 444/2025

ORDER

Whereas, **M/s CSPL Computers Pvt. Ltd., GF 3 Chintals House, Station Road, Lucknow-226002** is an establishment to which the Employees' Provident Fund & Miscellaneous Provisions Act 1952 applies, has failed to remit Provident Fund Contribution under Section 6 of Act/Employees' Pension contribution under Section 6A of Act/Administrative charges under Para 38 of Scheme/Employees Deposit Linked Insurance contribution/The Employees Deposit Linked Insurance Administrative charges under Section 6C of Act for belated revised remittance made during the **period from 01/03/2019 to 13/06/2024.** Hence, notice was issued to the employer by the Regional/Assistant Provident Fund Commissioner, Regional Office, Lucknow(UP) under letter No**. 9746/UP/LKO/46554/000/Enf 501/Damages dated 27.06.2025** to Show Cause why damages as envisaged under section 14B & Interest under section 7Q of the Act not be recovered from him. A proposed statement of damages and interest calculation was also issued to the establishment and the establishment was directed to confirm the details of statement or file written submission if any, in this regard. It was also intimated to the establishment that if the establishment fails to file any objection then it would be presumed that the establishment has nothing to submit in this matter and orders would be issued ex-parte. The employer was also given opportunity to represent the case in person/or through a lawful agent and the inquiry was posted to **01.08.2025**.

On 01.08.2025, none appeared on behalf of the establishment. Hearing was adjourned to 04.09.2025. However, none appeared on behalf of the establishment. Next date was fixed on 06.10.2025. Due to administrative reason, hearing could not be conducted on 06.10.2025. Next date was fixed on 03.11.2025. On 03.11.2025, none appeared on behalf of the establishment. Hearing was adjourned to 27.11.2025. However, none appeared on behalf of the establishment, hearing was adjourned to 10.12.2025. On 10.12.2025, none appeared on behalf of the establishment. Hearing was adjourned to 25.12.2025. Due to administrative reason, hearing could not be conducted on 25.12.2025. Hearing was adjourned to 08.01.2026, 19.01.2026 and further to 04.02.2026. However, none appeared on behalf of the establishment neither any submission received.

Since sufficient opportunities have been given to the establishment. It appears that the establishment has nothing to say in the matter and it is deliberately avoiding attendance of responsible person. In view of this, the inquiry u/s 14B was concluded and reserved for the order.

Section 14B as amended by Act 35 of 1988 clearly postulates recovery of damages by way of penalty. An authority under section 14B is now required to follow the sliding table incorporated in paragraph 32A the Employees Provident Fund Scheme 1952, Para 8a of EDLI Scheme 1976 and Para 5 of Employees Pension Scheme 1995, for applying the rates of damages according to the periods specified therein. The purpose of imposition of damages have been spelt out by the Hon`ble Supreme Court of India in different judgments. The purpose is to penalize defaulting employer as also to provide reparation for the amount of loss suffered by the employees. It has been pointed out that it is not only a warning to the employers in general not to commit a breach of statutory requirement but at the same time. It is meant to provide compensation or redress to the beneficiaries i.e. to recompense the employees for the loss suffered by them. The objective of the legislature in enacting section 14B is clearly to punish the recalcitrant employers and has the expression `DAMAGES` occurring in section 14B means in substance a penalty imposed on the employer for the breach of statutory obligations.

The word used in section 14B are default in the payment of contribution and, therefore, the word default may be construed in the light of Para 38 of the EPF Scheme 1952 which provides that the payment of contribution has to be made by the 15`` of the following month.

The word ``default`` covers not only case of partial payment but also cases of full payment made beyond the prescribed time limit. Therefore, the word ``default`` means failure in performance of failure to act. At the same time, the imposition of damages is to provide reparation for the amount of loss suffered by the employees. The Employees' Provident Fund and Misc. Provisions Act 1952 applies Sui juris to the above said establishment and it does not call for the vigilance of the Employees` Provident Fund Organization to notify the eligible establishments of the rigors of the Act. Thus any establishment having 20 or more employees and engaged in any of the activities notified falls within the ambit of the Act on its own right. When the Act is applicable to an establishment, the liability arises.

It cannot be disputed that the above said establishment was obliged to make deductions from the wages of the employees and to deposit their contributions along with employers' contribution in accordance with the Scheme. Since the above said establishment was obliged under law to do so but failed to remit statutory contributions, thus damages under Section 14B are leviable.

It would not be out of place to mention that interest has been credited to the accounts of employees of the establishment as per the notified rates. The employees have been the beneficiaries of crediting of interest to the Provident Fund accumulations. The pension fund has suffered losses on account of delayed remittances. The pensioner benefits are guaranteed as per the provisions of Employees` Pension Scheme 1995.

Therefore**, I, Vinay Kumar Singh, Assistant Provident Fund Commissioner**, in exercise of the powers conferred upon me by section 14B of the Act, read with Para 32-A of the EPF Scheme 1952, Para 5 of Employees' Pension Scheme 1995 and Para 8 of Employees' Deposit- Linked Insurance Scheme 1976, levy/quantify a sum of **Rs. 43572/-** as detailed below as damages.

Amount Dues u/s 14B

Period from 01/03/2019 to 13/06/2024	A/c I	A/c II	A/c X	A/c XXI	A/c XXII	Total
Dues	27782	1801	12966	1023	0	43572
Deposit	0	0	0	0	0	0
Balance	27782	1801	12966	1023	0	43572

(In Words: Forty Three Thousand Five Hundred Seventy Two Only).

I further order the employer to pay the aforesaid balance amount **Rs. 43572/-(Forty Three Thousand Five Hundred Seventy Two Only)** of damages within prescribed time of receipt of the order / otherwise action under Section 8F of the Act will be taken for the recovery of the said amount.

The order is without prejudice to the levy of penal damages for any other period of default or any other default of this period.

Issued under my seal and signature at this **12th day of February, 2026** at Lucknow.

(Vinay Kumar Singh)
Assistant Provident Fund Commissioner
Regional Office, Lucknow

To,

M/s CSPL Computers Pvt. Ltd.,
GF 3 Chintals House, Station Road,
Lucknow-226002

कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation
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No. PF/RO/UP/LKO/46554/Damages 3292 Date: 13 /02/2026

Employees' Provident Fund & Miscellaneous Provisions Act' 1952-
Levy of Damages U/s 7Q- regarding EPF Code No.-UP/LKO/46554
Diary Number- 444/2025

ORDER

Whereas, **M/s CSPL Computers Pvt. Ltd., GF 3 Chintals House, Station Road, Lucknow-226002** is an establishment to which the Employees' Provident Fund & Miscellaneous Provisions Act 1952 applies, has failed to remit Provident Fund Contribution under Section 6 of Act/Employees' Pension contribution under Section 6A of Act/Administrative charges under Para 38 of Scheme/Employees Deposit Linked Insurance contribution/The Employees Deposit Linked Insurance Administrative charges under Section 6C of Act for belated revised remittance made during the **period from 01/03/2019 to 13/06/2024.** Hence, notice was issued to the employer by the Regional/Assistant Provident Fund Commissioner, Regional Office, Lucknow(UP) under letter No. **9746/UP/LKO/46554/000/Enf 501/Damages dated 27.06.2025** to Show Cause why damages as envisaged under section 14B & Interest under section 7Q of the Act not be recovered from him. A proposed statement of damages and interest calculation was also issued to the establishment and the establishment was directed to confirm the details of statement or file written submission if any, in this regard. It was also intimated to the establishment that if the establishment fails to file any objection then it would be presumed that the establishment has nothing to submit in this matter and orders would be issued ex-parte. The employer was also given opportunity to represent the case in person/or through a lawful agent and the inquiry was posted to **01.08.2025**.

On 01.08.2025, none appeared on behalf of the establishment. Hearing was adjourned to 04.09.2025. However, none appeared on behalf of the establishment. Next date was fixed on 06.10.2025. Due to administrative reason, hearing could not be conducted on 06.10.2025. Next date was fixed on 03.11.2025. On 03.11.2025, none appeared on behalf of the establishment. Hearing was adjourned to 27.11.2025. However, none appeared on behalf of the establishment, hearing was adjourned to 10.12.2025. On 10.12.2025, none appeared on behalf of the establishment. Hearing was adjourned to 25.12.2025. Due to administrative reason, hearing could not be conducted on 25.12.2025. Hearing was adjourned to 08.01.2026, 19.01.2026 and further to 04.02.2026. However, none appeared on behalf of the establishment neither any submission received.

Since sufficient opportunities have been given to the establishment. It appears that the establishment has nothing to say in the matter and it is deliberately avoiding attendance of responsible person. In view of this, the inquiry u/s 7Q was concluded and reserved for the order.

Section 7Q deals with interest to be paid at the rate of 12% per annum by the employer 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.

Para 38 of the EPF Scheme 1952 which provides that the payment of contribution has to be made by the 15`` of the following month. The word ``due`` covers not only case of partial payment but also cases of full payment made beyond the prescribed time limit. At the same time, the imposition of interest is to provide reparation for the amount of loss suffered by the employees. The Employees' Provident Fund and Misc. Provisions Act 1952 applies Sui juris to the above said establishment and it does not call for the vigilance of the Employees` Provident Fund Organization to notify the eligible establishments of the rigors of the Act. Thus any establishment having 20 or more employees and engaged in any of the activities notified falls within the ambit of the Act on its own right. When the Act is applicable to an establishment, the liability arises.

It cannot be disputed that the above said establishment was obliged to make deductions from the wages of the employees and to deposit their contributions along with employers' contribution in accordance with the Scheme. Since the above said establishment was obliged under law to do so but failed to remit statutory contributions, thus interest under Section 7Q are leviable.

It would not be out of place to mention that interest has been credited to the accounts of employees of the establishment as per the notified rates. The employees have been the beneficiaries of crediting of interest to the Provident Fund accumulations. The pension fund has suffered losses on account of delayed remittances. The pensioner benefits are guaranteed as per the provisions of Employees` Pension Scheme 1995.

Therefore, **I, Vinay Kumar Singh, Assistant Provident Fund Commissioner**, in exercise of the powers conferred upon me by section 7Q of the Act, levy/quantify a sum of **Rs. 29427/-** as detailed below as interest.

Amount Dues u/s 7Q

Period from 01/03/2019 to 13/06/2024	**A/c I**	**A/c II**	**A/c X**	**A/c XXI**	**A/c XXII**	**Total**
Dues	18613	1165	8969	680	0	29427
Deposit	0	0	0	0	0	0
Balance	18613	1165	8969	680	0	29427

(In Words: Twenty Nine Thousand Four Hundred Twenty Seven Only).

I further order the employer to pay the aforesaid **Rs. 29427/- (Twenty Nine Thousand Four Hundred Twenty Seven Only)** amount of interest within prescribed time of receipt of the order / otherwise action under Section 8F of the Act will be taken for the recovery of the said amount.

The order is without prejudice to the levy of penal damages for any other period of default or any other default of this period.

Issued under my seal and signature at this **12th day of February, 2026** at Lucknow.

(Vinay Kumar Singh)
Assistant Provident Fund Commissioner
Regional Office, Lucknow

To,

M/s CSPL Computers Pvt. Ltd.,
GF 3 Chintals House, Station Road,
Lucknow-226002