



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 1620 OF 2025

JAIN IRRIGATION SYSTEMS LTD THROUGH ITS VIDE PRESIDENT
VERSUS
THE REGIONAL PF COMMISSIONER I

...

Advocate for Petitioner : Mr. Yugant Morlapalle
along with Mr. Ajinkya Reddy
Advocate for Respondent : Mr. Nitin K. Chaudhari

...

CORAM : R.M. JOSHI, J.
DATE : 04th FEBRUARY, 2025

PER COURT :

1. Heard learned counsel for both the sides for some time.
2. This petition takes exception to prohibitory order dated 23.01.2025 passed by Respondent Regional Provident Fund Commissioner – I, Nashik, attaching Bank account of petitioner for the recovery of Rs. 6,90,17,712/- towards damages and interest of delayed payment of P.F. contribution. It is claimed by petitioner that this order came to be passed during the pendency of the applicant before CGIT-cum-Labour Court, Nagpur (for short ‘Tribunal’) for waiver as well as stay application seeking interference in prohibitory order. It is claimed that Tribunal simply adjourned the matter to 04.06.2025. Hence, this petition for quashing the prohibitory order.
3. These facts are preceded by show cause notice issued by respondent to petitioner under Section 14 B and 7 Q of Employees Provident Fund Act, (EPF Act), for alleged delayed remission of the contribution for period of 01.04.2022 to 25.04.2024. An order came to be passed on 28.10.2024 by respondent imposing damages of Rs. 4,62,58,774 and interest

of Rs. 2,37,58,938/-. Being aggrieved by said order, appeal is preferred before Tribunal under Section 7-I of EPF Act, being Appeal No. CGIT/NGP/EPFA/89/2024. Along with appeal memo, application for waiver and stay came to be moved. It is alleged that after seeking adjournment, respondent issued impugned prohibitory order dated 23.01.2025 under Section 8 F of EPF Act, and sought attachment of sole bank account of petitioner. Tribunal was moved to seek relief but hearing is postponed to 04.06.2025. Hence, this petition.

4. Learned counsel for the petitioner raises a grievance that during the pendency of the proceeding before the Tribunal in EPF Appeal No. 89/2024, by taking advantage the adjournment being granted by the tribunal, notices came to be issued under Section 8 F of EPF Act and the amount allegedly due is sought to be recovered, by adopting coercive action of attachment of sole bank account of petitioner.

5. Learned counsel for the petitioner further claims that the learned Tribunal has adjourned the hearing of the said appeal to 04.06.2025. In such circumstances, he seeks urgent relief. It is further claimed that demand draft no. 323971 for amount of Rs. 6,90,17,712/- dated 31.01.2025, has been already handed over to the PF authorities. According to him, petitioner cannot conduct business or pay salary in case the said D.D. is allowed to be realised. It is his apprehension that if the PF authority is permitted to encash the said demand draft, the amount will never come back to the petitioner, even if petitioner succeeds in appeal.

6. Learned counsel for the respondent submits that the PF authority is a statutory authority and is bound by the rules. It is his submission by ignoring to the order dated 28.10.2024 that there is no dispute about correction of amount of contribution in the summons. He further submits that once there is no dispute about amount of contribution, appeal under Section

7-I of EPF Act, would not succeed. To support this submission reliance is placed on judgment of Hon'ble Supreme Court in case of *Arcot Textile Mills Limited Versus Regional Provident Fund Commissioner and Others*, (2013) 16 SCC 1.

7. This Court can not consider the merits of the case at this stage, as it is for the Tribunal to decide the same. suffice to say that having regard to the welfare legislation of PF Act, it would be in the interest of justice that the respondent is permitted to encash the demand draft subject to outcome of the appeal. It is however clarified that on such encashment and in case petitioner succeeds in appeal, respondent would not be permitted to adjust the said amount against any other claim and in that eventuality the amount shall be refunded to the petitioner.

8. In view of the above, since the interest of both sides is secured, a direction to the tribunal to decide stay application as well as application of waiver filed if any expeditiously and in any case within a period of a one month from today, will meet ends of justice.

9. Tribunal, therefore, to hear waiver and stay application filed in EPF Appeal No. 89/2024 by the petitioner within a period of one month. It is clarified that all issues on merit are kept open for consideration of the tribunal.

10. Petition stands disposed of in above terms..

(R.M. JOSHI, J.)