MPBalekar

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 497 OF 2025

M/s Indus International School … Petitioner
V/s.
The Regional Provident Fund Commissioner-II … Respondent

Mr. Aumkar Joshi for the petitioner.
Ms. Payoja Gandhi for the respondent.

CORAM : AMIT BORKAR, J.

DATED : JANUARY 16, 2026

P.C.:

1. The petitioner has filed the present writ petition to challenge an order passed under Section 7A of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

2. The factual position is not in dispute. The competent authority passed an order under Section 7A directing the petitioner to pay Rs. 34,34,993 towards provident fund contribution in respect of international workers for the period from July 2015 to June 2019. The said order has attained finality. The petitioner has complied with the same and deposited the amount on 8 October 2023.

3. Thereafter, on 8 July 2024, the petitioner received summons for proceedings under Sections 14B and 7Q of the Act. The petitioner accepted liability of Rs. 30,810 under Section 7Q. The petitioner disputed the balance amount of Rs. 25,82,163 under Section 7Q.

4. Learned counsel for the petitioner submitted that the Karnataka High Court, by judgment dated 25 April 2024 in Writ Petition No. 18486 of 2012 and connected matters *(Stone Hill Education Foundation versus Union of India and others)*, declared Clause 83 of the Provident Fund Scheme and related provisions as unconstitutional. The petitioner submitted that, in view of the said judgment, the basis for fastening liability on the petitioner for the period from July 2015 to June 2019 stood nullified. The petitioner, therefore, submitted that the order under Section 7Q directing payment of Rs. 25,82,163 could not have been passed.

5. The respondent relied upon the judgment of the *Division Bench of this Court dated 7 August 2019 in Writ Petition No. 1846 of 2018 (Sachin Vijay Desai versus Union of India and others)*, wherein the Court upheld Clause 83 on merits. The respondent also relied upon the judgment of the Division Bench of the Delhi High Court in *Spice Jet Ltd. versus Union of India and others reported in MANU/DE/8435/2025.* In the said judgment, the Division Bench of the Delhi High Court examined the validity and applicability of Clause 83 to international workers and upheld the validity of the said clause. The respondent submitted that, in view of these judgments, the contention raised by the petitioner is without merit.

6. I have considered the submissions advanced by learned counsel for both sides and examined the material placed on record. On such consideration, I find no substance in the writ petition. The reasons for this conclusion are recorded hereinafter.

7. The factual position is not disputed. The proceedings under Section 7A culminated in an order holding the petitioner liable to pay provident fund contribution in respect of international workers for the period from July 2015 to June 2019. The said order attained finality. The petitioner deposited the entire amount of Rs. 34,34,993 on 8 October 2023. Consequently, the liability on merits under Section 7A stands concluded and accepted.

8. The limited question that now arises is whether, after accepting and complying with the final order under Section 7A, the petitioner can re-open the issue of liability by placing reliance on a subsequent judgment of the Karnataka High Court declaring Clause 83 of the Provident Fund Scheme as unconstitutional. The petitioner seeks to contend that if Clause 83 is unconstitutional, the basis for fastening liability for the relevant period stands extinguished.

9. However, this line of argument does not merit acceptance for the following reasons supported by the record and legal position:

(a) The petitioner has not challenged the original order under Section 7A. That order has attained finality. It is well settled that once a determination of liability attains finality, it cannot be indirectly challenged in collateral proceedings.

(b) The judgment relied upon by the petitioner is of a Single Judge of the Karnataka High Court. On the other hand, the Division Bench of this Court, in *Sachin Vijay Desai*, has upheld the validity of Clause 83. Further, the Division Bench of the Delhi High Court, in *Spice Jet Ltd*, has also upheld the validity and applicability of Clause 83 to international workers.

(c) In matters concerning subordinate legislation framed under a Central Act, if conflicting views arise from different High Courts, the view of the jurisdictional High Court binds this Court. The judgment of the Division Bench of this Court prevails over the Single Judge judgment of the Karnataka High Court.

(d) Though Article 141 binds all courts to the law declared by the Supreme Court, judicial discipline requires that a coordinate court follow the binding pronouncement of its own Division Bench. In the present case, the validity of Clause 83 stands upheld by the jurisdictional Division Bench. Hence, the contrary view of a Single Judge of another High Court cannot be adopted.

(e) The petitioner seeks to indirectly nullify a concluded determination under Section 7A by relying on a judgment rendered subsequent in time in another jurisdiction. This is impermissible as it would defeat finality of adjudication and introduce uncertainty in statutory administration.

10. In view of the above legal position, the submissions of the petitioner are untenable. The order under Section 7A has attained finality. The liability stands concluded. It is not open to the petitioner to re-open the issue on the ground of alleged invalidity of Clause 83.

11. For these reasons, there is no merit in the writ petition. It is accordingly disposed of.

(AMIT BORKAR, J.)