



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 10TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE S RACHAIAH

WRIT PETITION NO. 23372 OF 2021 (L-PF)

BETWEEN:

1. THE ASSISTANT PROVIDENT
FUND COMMISSIONER
EMPLOYEES' PROVIDENT
FUND ORGANIZATION
SUB-REGIONAL OFFICE
WHITEFIELD
NO.36,
LAKSHMI COMPLEX,
NH-4, K.R.PURAM
BENGALURU - 560 036.

...PETITIONER

(BY SMT. VANITA K.R. AND

SMT. VARSHA HITTINHALLI, ADVOCATES) (ABSENT)

AND:

1. M/S. ENCHANTING TRAVELS PVT. LTD
NO.660/1,





AKSHAYA,
2ND FLOOR,
100 FEET ROAD,
INDIRANAGAR,
BENGALURU - 560 038.

...RESPONDENT

(BY SRI. M C THIMMAIAH, ADVOCATE FOR
SRI. JOSHUA HUDSON SAMUEL, ADVOCATE)

THIS WRIT PETITION IS FIELD UNDER ARTICLES 226
AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE
A WRIT IN THE NATURE OF CERTIORARI OR ANY OTHER
APPROPRIATE WRIT, SET ASIDE / QUASHING THE ORDER
DATED 07.09.2020 IN EPF NO.388/2017 PASSED BY THE
CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL-CUM-LABOUR
COURT, BENGALURU VIDE ANNEXURE -C AND ETC.,

THIS PETITION, COMING ON FOR PRELIMINARY HEARING
IN 'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS
UNDER:

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MR. JUSTICE S RACHAIAH



ORAL ORDER

(PER: HON'BLE MR. JUSTICE D K SINGH)

None has appeared, even on the revised call, on behalf of petitioner - the Employees' Provident Fund Organization (for short 'EPF Organization'). However, the counsel for the respondent is present, who has made submissions.

2. The present writ petition has been filed by the EPF Organization impugning the order dated 07.09.2020 in EPF No.388/2017 passed by the Central Government Industrial Tribunal-cum-Labour Court, Bengaluru (for short 'CGIT')

3. The respondent - Establishment had challenged the order dated 05.12.2016 passed by the Assistant Provident Fund Commissioner, K.R. Puram, Bangalore, thereby imposing the damages of Rs.3,28,083/- under Section 14B of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (hereinafter referred to as the 'EPF Act') on belated payment of contributions in respect of two international workers for the period from 20.03.2014 To 31.03.2016.



4. The respondent - Company is a Private Limited Company registered under the provisions of the Companies Act, 1956. It provides travelling assistance. The respondent - Company got itself registered with the EPF Organization and was allotted the PF Code number. The impugned penalty order pertains to the two foreign nationals on the rolls of the respondent - Company. After the Commissioner obtained the list of the foreign/international workers working with the respondent -Company from the Foreigner Regional Registration Office (for short 'FRRO'), it came to the knowledge of the Commissioner that the names of two international workers appointed by the respondent - Company were not found in the International Worker-1 Returns filed by the respondent - Company. Clarification was sought by the Commissioner from the respondent - Company in respect of the two international workers namely, Ms. Nina Loges and Ms. Gonser Rebecca Anne. No PF contribution of these two foreign / international workers was deposited by the respondent - Company, and in its clarification to the show cause notice, it was stated by the respondent - Company that these two foreign nationals were



working with the respondent - Company. However, they had left the Company.

5. Considering the fact that the respondent - Company did not make the PF contribution in respect of two international workers, the liability was assessed at Rs.2,04,440/- with interest at Rs.1,06,094/-, vide impugned order dated 05.12.2016. The penalty under Section 14B of the EPF Act was assessed at Rs.3,28,083/-, which would include the 100% penalty of the shortfall in making payment of the PF along with interest.

6. The said order came to be challenged by filing the appeal, EPF No.388/2017, by the respondent - Company and the CGIT has reduced the penalty to Rs.25,000/-. This Order dated 07.09.2020 passed by the CGIT in Appeal, EPF No.388/2017 filed by the respondent - Company, is the subject matter of challenge in the present writ petition.

7. We have considered the submissions.



8. Section 14B of the EPF Act empowers the Central Provident Fund Commissioner or an Officer authorised by the Central Government in this behalf to recover damages, wherein an employer makes default in the payment of any contribution to the Provident Fund. Section 14B empowers to recover damages by way of penalty not exceeding the amount of arrears, as may be specified in the Scheme.

9. Thus, Section 14B of the EPF Act empowers to recover damages upto 100% of the amount of arrears which would also include the interest. However, under the Employees' Provident Fund Scheme, 1952, the rate of penalty has been fixed under Para 32A. The maximum penalty for delay of six months and above has been fixed at 25% per annum. The CGIT, however, has reduced the penalty to Rs.25,000/- by the impugned order against Rs.3,28,083/- as imposed by the Assistant Provident Fund Commissioner, Bengaluru, vide order dated 05.12.2016.

10. The only question which is involved in the present writ petition is,



Whether the Central Government Industrial Tribunal-cum-Labour Court has been correct in reducing the penalty from Rs.3,28,083/- to Rs.25,000/-, in the facts and circumstances of the case?

11. This Court, in its judgment dated 27.01.2026, passed in Writ Petition No.6617/2023, has considered the provisions of Section 14B of EPF Act and has held that the penalty for not depositing the PF contribution for more than six months cannot be reduced to less than 25% of the arrears, which would include the interest. Here, the arrears were deposited after more than two years from the due date and therefore, the penalty should be 25% of the arrears of the contribution, including the interest. It is not in dispute that the arrears of PF contribution would come to Rs.2,04,440/- and interest thereon was assessed as Rs.1,06,094/-. Thus, total arrears including the interest would be Rs.3,10,534/-. 25% of the above amount, which comes to Rs.77,633.50 ps., rounded off to Rs.77,633/-, should have been the damages in the nature of penalty.



12. Thus, we would modify the impugned order dated 07.09.2020 in EPF No.388/2017 passed by the Central Government Industrial Tribunal-cum-Labour Court, Bengaluru, and assess the damages by way of penalty to **Rs.77,633/-**. If the petitioner has already paid Rs.25,000/-, in pursuance to the order passed by the CGIT, the balance amount of Rs.52,633/- is to be paid within a period of two weeks from today.

With the aforesaid modification, the writ petition is *disposed of*.

**Sd/-
(D K SINGH)
JUDGE**

**Sd/-
(S RACHAIAH)
JUDGE**

BSS
List No.: 2 Sl No.: 3