

**BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL  
TRIBUNAL-2, MUMBAI**

**APPEAL NO. CGIT- 2 / EPFA /168/2024**

M/s. Group 7 Guards (India) Pvt. Ltd.

- Appellant

V/s.

The Regional Provident Fund Commissioner-I,

EPFO, Bandra (E).

- Respondent

**ORDER  
(Delivered on 06-05-2025)**

M/s. Group 7 Guards (India) Pvt. Ltd./ appellant-applicant has challenged the legality of order dated 27.09.2024, passed u/s. 7-A of the EPF & MP Act 1952 (for-short, the “EPF Act”) by RPFC Bandra/ respondent-opponent in the present appeal and by these applications, the applicant prays for waiver from pre-deposit of 75% amount as required u/s. 7-O of the EPF Act and stay to the effect and operation of the order under appeal during pendency of lis.

The applicant is a private company registered under the Companies Act 1956, covered under the EPF Act since 27.02.2000 and complying with the provisions of the EPF regularly. On the basis of complaint of one employee Mr. Santosh Gamre dated 10.12.2021, summons dated 07.03.2022 was served and on that basis the enquiry was initiated against them. The applicant added that, during enquiry demanded documents were produced for inspection and on that basis visit note dated 15.02.2022 was prepared and after enquiry based on visit note the amount of Rs.13,38,261/- has been assessed for the period from 04/2016 to

03/2022. The applicant further added that, though the enquiry was based on the complaint of Mr. Santosh Gamre, however he was never worked as per salary register. No documentary evidence was produced by that complainant nor appeared during enquiry. The amount determined on account of short payment is not correct. The authority failed to consider the nature of wage components and to consider that, the law of allowances being treated as part of basic wages as such the claim of the opponent is misconceived, illegal, unjust, arbitrary and not maintainable. The applicant also added that, out of total dues he is willing to deposit Rs.02,58,083/- determined towards dues of non-enrolled employees and only disputing the remaining amount of Rs.10,80,178/- and thereby requested to waive the requirement for pre-deposit of amount as per Sec.7-O of the EPF Act.

The counsel for the opponent submitted say under her signature and thereby stated that, without going into the merits of the matter, as per Sec.7-O of the EPF Act, 75% amount is required to be deposited alongwith appeal, however the applicant failed and neglected to deposit the same, therefore requested to pass the necessary order.

I have heard Mr. B. K. Ashok advocate for the applicant and Mrs. Rele advocate for the opponent.

It will not be out of place to mention here that, the enquiry u/s. 7-A has been initiated against the applicant based on summons dated 07.03.2022, in which the representative of the applicant appeared produced various documents as sought by the opponent. Thereafter the authority has assessed the amount of contribution of Rs.13,38,261/- for the period from 04/2016 to 03/2022. It has come

on record that, the enquiry was initiated on the basis of complaint of one Mr. Gamre, who was neither the employee of the applicant nor his name was in the salary register of the company. He also never appeared in the enquiry. Not only this but, the counsel for the applicant raised various issues in respect of allowance, which were wrongly considered as basic wages, though cannot be permitted under law. There is no specific reply/denial to these contentions of the applicant made in the application for stay which is supported by affidavit, as such it can be safely said that, the applicant has made out a prima-facie case at the stage. Not only this but, the applicant has specifically admitted in the application for waiver that, he is admitting the claim of Rs.02,58,083/- and also shown willingness to deposit that amount, whereas the claim for remaining amount has been disputed by the applicant. In such circumstances, in my opinion the balance of convenience also lies in favour of the applicant and considering the comparative hardship, the applicant is certainly entitled for stay to the effect and operation of the order.

As regards the waiver from pre-deposit of 75% amount, the applicant has admitted some of the claim and disputed the remaining claim and also shown willingness to deposit 30% amount towards compliance of the provisions of the Sec.7-O of the EPF Act, however considering the facts involved in the matter instead of 75% amount I am directing to deposit the amount of Rs.02,58,083/- towards admitted claim and 30% of amount of remaining amount of Rs.10,80,178/- towards the compliance of the provisions of the Sec.7-O of the EPF Act.

In the result, the applications are allowed. The opponent is hereby directed to stay the effect and operation of the order under appeal till the disposal of the appeal on merit only on depositing an amount of Rs.02,58,083/- towards admitted claim and 30% of remaining amount of Rs.10,80,178/-.

Date: 06-05-2025

Sd/-  
(Shrikant K. Deshpande)  
Presiding Officer  
CGIT -2, Mumbai