

Labour & Employment Update

November 2025; Issue No. 28

The 'Labour & Employment Update – November 2025' comprises latest judicial decisions of the Supreme Court of India, various High Courts and Labour Tribunals and Circulars/Notification issued under Indian Labour Law.

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1. Legal Updates

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (in short "EPF Act")

1. Employees cannot claim provident fund once employer settled the amount with respect to back wages.

M/s JSR Enterprises V. APFC/RPFC, Delhi East & Another. [Appeal No. D-1/18/2024; dt. October 10, 2025]

Issue before the CGIT in the present appeal is whether appellant is liable to pay provident dues of an employee with whom settlement had entered into and paid a lump sum amount with respect to back wages and statutory dues.

Brief facts of this case are the second respondent was terminated from the service by the appellant in 2006. On appeal the labour court held retrenchment as illegal and directed the appellant to reinstate the second respondent along with back wages. Appellant entered into a out of court settlement with the second respondent and agreed to pay an amount of Rs. 7,50,000 including statutory dues inter alia provident fund dues. Subsequent to the settlement the second respondent made a complaint to the first respondent, Regional Provident Fund Commissioner, contending that provident fund was not deducted on the settled amount. On the basis of the complaint received from the second respondent the enforcement officer of the first respondent initiated the inquiry u/s 7A and assessed the dues with respect to second respondent for the period 2013 to 2018 to an extent of Rs. 1,72,220 and appellant was directed to remit the same.

On appeal, CGIT while setting aside the order passed by the first respondent held, settlement amount paid by the appellant not only includes back wages but also statutory dues including provident fund.

2. Proceedings u/s 14B cannot be initiated after three years, held CGIT.

M/s Pitambar Publishing Co. Pvt. Ltd. V. APFC/RPFC, Delhi (North). [Appeal No: 1093(4) of 2015; dt. October 14, 2025]

The subject matter of the present appeal is the order passed by the respondent u/ss 7Q and 14B of the EPF Act whereby directing the appellant to deposit amount determined for the period 04/2008 to 03/2014.

The contention of the appellant is that delay in remitting the provident fund contribution was due to financial exigencies. Further, it contended that respondent violated the circular dt. November 28, 1990 ("**Circular**") which mandates the RPFCs to levy the damages u/s 14B within the subsequent three financial years.

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Relying on the Circular, CGIT held levy of damages for the period 04/2008 to 05/2012 was unreasonable and demand for the period 04/2011 to 05/2014 is legally sustainable.

3. Principal employer not liable to pay damages in respect of belated remittances made by contractor.

M/s Arabtec Construction (I) Pvt. Ltd. V. APFC/RPFC, Gurugram. [Appeal No. D-2/08/2024; dt. October 13, 2025]

The subject matter of the present appeal is the order passed by the respondent u/ss 7Q and 14B for the period 04/1996 to 10/2021 in respect of M/s Siddhi Construction, contractor of the appellant. Appellant contended that M/s Siddhi Construction which is covered under the provisions of the EPF Act, having separate PF code number. The liability of the contractor cannot be foisted upon the principal employer.

CGIT held appellant is not liable to pay the damages and interest in respect of the belated remittance made by M/s Siddhi Construction.

4. Employer required to pay provident fund on 'leave with pay'.

M/s Umang Appliances & Equipments Pvt. Ltd. V. APFC/RPFC, Noida [D-2/03/2023; dt. October 15, 2025]

The issue before the CGIT in the present appeal is whether the appellant is liable to pay provident fund contribution on the salary component shown under 'leave with pay' which appellant contends as 'overtime' paid to the employees.

On examination of the salary register for various months and overtime records CGIT has not convinced with the submission of the appellant and held provident fund contributions are required to be discharged on the salary component 'leave with pay'.

5. CGIT has the power to condone delay in filing the petition.

M/s Shreya Construction V. APFC/RPFC, Meerut [Appeal no, D-2/12/2025; dt. October 13, 2025]

The issue before the CGIT is limitation period provided under the EPF Act.

The contention of the appellant is that he received ex-parte order on June 30, 2025 when recovery notice u/s 8F of the EPF Act was delivered. On the other hand, the respondent contended ex-parte order passed on February 24, 2025 and the appeal was filed on July 28, 2025 which was beyond the limitation of period of 60 days and extended period of further 60 days.

CGIT held the respondent has not produced any document evidencing the dispatch of the ex-parte order. Further, CGIT has the power to condone delay if there is a sufficient reason that prevented appellant in filing the appeal within the prescribed period. Since

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the respondent has not produced any record regarding dispatch of the order the appeal is allowed subjected to deposit of 75% of the amount determined u/s 7A.

2. Circulars/Notifications

1. Display of Form 5A

EPFO in a circular (#compliance/U/P78/2022/Advocacy/55643/13178) dt. October 7, 2025 mandated the employers of the establishment to display the extract of the Form 5A with the following details:

- a) EPF Code
- b) Registered Name
- c) Date of Coverage
- d) No. of Branches
- e) Primary Branch Address and
- f) Regional Office.

2. EPFO has extended the due date for wage month September 2025.

The EPFO vide its press note dt. October 13, 2025 extended the date of filing of electronic challan cum return to October 22, 2025, instead of October 15, 2025 in respect of wage month September 2025.

3. The Employees' Provident Funds (Amendment) Scheme, 2025.

The Ministry of Labour and Employment vide its notification # G.S.R 749 (E), dt. October 10, 2025 notified the Employees' Provident Funds (Amendment) Scheme, 2025 (in short "**Amended EPF Scheme**") which comes into force with effect from November 1, 2025 and shall be in force till April 30, 2026.

1. As per the Amended EPF Scheme after paragraph 82A, 82B shall be inserted.
According to the Amended EPF Scheme any employer, whether previously covered or not:
 - a) Can apply for coverage if not registered; and
 - b) Enrol the employees who joined between July 1, 2017 and October 31, 2025 who are not enrolled previously.
2. The compliance in respect of such enrolled employees shall commence from the month of such declaration by the employer under the Employees' Enrolment Campaign, 2025 provided that the employees' share of contributions, have not been previously deducted by the employer.
3. However, in cases where inquiries u/s 7A or para 26B of the EPF Scheme, 1952 or para 8 of the Employees' pension Scheme, 1995 are pending, employer can opt for Employees' Enrolment Campaign, 2025 subjected to the payment of employee's and employer's contribution in accordance with the provisions of the Act and schemes frames there under.

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4. The employer is required to deposit only employer's share of contribution, provided employees' share has not been deducted, retrospectively in respect of declared employees from their respective date of joining along with administrative charges. In addition, the employer is required to pay the interest u/s 7Q of the Act.
5. Employer is not required to contribute in respect of the employees who left the establishment as on date of declaration.
6. Rate of damages: A lump sum amount of Rupees hundred shall be levied as penalty.

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Disclaimer:

Current update has been intended for informational purposes only. The information provided in the current issue of the 'Labour & Employment Update' neither constitute a legal advice/opinion nor it intend to solicit any work. In case of any queries in relation to any of the issues reported herein please feel free to contact at narahari@nharico.com.

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