

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/ VC Mode (Hybrid)]*

**ITEM No.03**

**I.A.Nos.253/2024, 53/2026 and 09/2026 in  
C.P. (IB) No.198/BB/2020**

**IN THE MATTER OF:**

M/s. Vinay Bangalore Srinivas Murthy ... Petitioner

Vs.

M/s. Antal Infotech Pvt. Ltd. ... Respondent

**Petition under Section 10 of IBC, 2016**

**Order delivered on: 11.06.2026**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA  
HON'BLE MEMBER (TECHNICAL)**

**COUNSELS PRESENT:**

The Liquidator : Shri Ganesh Panduranga Pai

**ORDER**

1. Heard Ld. Counsels for the parties.
2. **I.A.No.253/2024 is dismissed** vide separate Order.

**I.A. No. (Liq.) (P.R.) No.53/2026:** is the 19<sup>th</sup> Progress Report of ongoing Liquidation of Corporate Debtor for the period from 01.01.2026 to 31.01.2026. We have been taken through them, and Application is taken on record. The **I.A. is accordingly, disposed of.**

**I.A. (Dis.) No.09/2026 is disposed of** vide separate Order. File be Consigned to record room.

**-Sd-  
RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd-  
SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**

Shruthi

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**  
**(Exercising powers of Adjudicating Authority under**  
**The Insolvency and Bankruptcy Code, 2016)**  
*(through physical hearing/web based video-conferencing platform)*

**I.A. No. 253 of 2024**

**In**

**C.P. (IB) No. 198/BB/2020**

**Application under Section 42 r/w Section 60(5) of the IBC 2016**

**IN THE MATTER BETWEEN**

**Regional Provident Fund Commissioner – II**

Employees Provident Fund Organisation  
Regional Office-Bengaluru (Koramangala),  
Annapoorneshwari Complex, No. 37/1,  
6th Main, Singasandra, Bangalore -560068

... Applicant

**AND**

**M/s Antal Infotech Private Limited**

Corporate office NO. 4, 2nd Floor,  
RCC Chambers, 30th Cross,  
Jayanagar 4th T Block, Bangalore - 560 041.  
Represented by its Director

... Respondent no.1/  
Corporate Debtor

**Shri Ganesh Panduranga Pai**

Liquidator. M/s Antal Infotech Private Limited  
No. 68, 6B, 6" Floor, Chitrapur Bhavan, 8th Main,  
15th Cross, Malleshwaram, Bangalore - 560 055.

... Respondent no.2/

**Order delivered on: 11.06.2026**

**CORAM:** 1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)  
2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

**Counsels Present:**

**For the Applicant :** Ms. B.V Vidyulatha and  
Dr. Pavan Jasti RPFC

**For the Liquidator :** Shri Ganesh Pai

**ORDER****Per RADHAKRISHNA SREEPADA, Member(Technical):**

1. The present Application is filed by the Regional Provident Fund Commissioner – II, Employees Provident Fund Organisation, Bengaluru, under Section 42 read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016("code/IBC"), on 08.01.2024 assailing the decision of the Liquidator dated 12.12.2023, whereby the claim of the Applicant was partly rejected. The applicant has filed the instant application with the following prayer:

- i. To set aside the decision of the Liquidator, rejecting the claim of the Applicant vide communication dated 12/12/2023, partially rejecting claim amount of Rs.38,85,792/- (Rupees Thirty-Eight Lakhs Eighty-Five Thousand Seven Hundred and Ninety-Two only) made by the Applicant.*
- ii. To issue appropriate direction to the Liquidator, to accept the Claim amount of Rs.38,85,792/- (Rupees Thirty-Eight Lakhs Eighty-Five Thousand Seven Hundred and Ninety-Two only) made by the Applicant on 10/12/2021 including the Penal Damages of Rs. 25,113/- and Rs. 15,515/-Interests levied PF dues of Rs.48,029/- paid on 24/12/2021.*
- iii. To issue appropriate direction to the Liquidator to accept the Claim amount of Rs. 40,628/- (Rupees Forty Thousand Six Hundred and Twenty-Eight Only) towards the Penal Damages of Rs.25,113/-and Interest of Rs.15,515/- levied on PF due of Rs.48,029/- paid on 24/12/2021 which is neither rejected nor accepted in the order dated 17/10/2023 / 12/12/2023.*
- iv. To pass such other order/direction as it deems fit and proper in the facts and circumstances of the case.*

2. Brief Facts of the case stated in support of the Application are as follows:

- i. The Applicant submits that the Corporate Debtor (CD), **M/s Antal Infotech Private Limited**, is a covered establishment under the EPF & MP Act, 1952 and had defaulted in payment of statutory provident fund dues. The Applicant states that penal damages under Section 14B and interest under Section 7Q were determined for the relevant periods and demand notices were issued to the CD.
- ii. It is submitted that upon learning that the CD had entered liquidation pursuant to public announcement dated 09.12.2020, the Applicant lodged a claim before the Liquidator in March 2021 for statutory dues, including damages and interest, and also requested reservation of funds for future determination of dues.
- iii. The Applicant further submits that an enquiry under Section 7A of the EPF Act was conducted and an order dated 08.11.2021 determined provident fund dues for the period March 2020 till closure. According to the Applicant, partial payments were made by the CD, leaving a balance along with further statutory liabilities towards damages and interest.
- iv. It is stated that the Liquidator initially rejected the claim in December 2021 on technical grounds including delay and format of submission. The Applicant challenged the rejection before this Tribunal in I.A. No. 30/2022, which was allowed on 15.09.2023, condoning the delay and directing reconsideration of the claim.
- v. Pursuant thereto, the Liquidator, by communication dated 17.10.2023, partly admitted the claim to the extent of ₹4,05,495/- and rejected the remaining amount of ₹38,85,792/- on the ground that the same pertained to penal damages and interest for the CIRP and liquidation period and was therefore inadmissible.

- vi. The Applicant submits that subsequent representations dated 15.11.2023 and 17.11.2023 were made seeking reconsideration. However, the Liquidator, by communication dated 12.12.2023, reaffirmed the earlier decision and rejected the claim to the said extent.
- vii. The Applicant contends that the rejected amounts relate to statutory dues arising from pre-CIRP provident fund liabilities and therefore cannot be disallowed under Sections 14 and 33 of the Code. It is further contended that certain amounts towards penal damages and interest aggregating to ₹40,628/- were neither admitted nor rejected by the Liquidator.
- viii. The Applicant asserts that provident fund dues are statutory and beneficial in nature and must be treated as workmen dues, placing reliance on various judicial pronouncements of the Hon'ble Supreme Court and the Appellate Tribunal to contend that provident fund dues fall outside the liquidation estate and cannot be subjected to the waterfall mechanism. On these grounds, the Applicant seeks setting aside of the impugned rejection and admission of the claim as prayed.

### **3. Reply by Respondent no. 2:**

The Respondent has filed the objections inter-alia contending that:

- i. At the outset, the Liquidator contends that the Application is not maintainable and is liable to be rejected in-limine. It is alleged that the Applicant has suppressed material facts and approached this Tribunal with delay and negligence.
- ii. The Liquidator submits that the CD was admitted into CIRP in September 2020 and subsequently ordered into liquidation by order dated 13.08.2021. A public announcement inviting claims was issued in December 2020. It is contended that the Applicant

failed to submit its claim within the prescribed timelines despite reminders issued by the Liquidator.

- iii. It is submitted that the Liquidator had addressed communications dated 24.12.2020 and subsequent correspondence calling upon the Applicant to submit provident fund liabilities. According to the Liquidator, the Applicant submitted a claim only in March 2021, after a delay of several months, and the claim did not reconcile with the books of the CD.
- iv. The Liquidator states that provident fund dues were independently ascertained and partial payments were facilitated by the CD. However, thereafter, the Applicant raised further demands towards interest and damages under Sections 7Q and 14B of the EPF Act, which were disputed.
- v. It is submitted that earlier rejection of the claim was challenged by the Applicant before this Tribunal in I.A. No. 30/2022, and this Tribunal, by order dated 15.09.2023, directed reconsideration of the claim in accordance with the Code and Regulations.
- vi. Pursuant thereto, the Liquidator considered the total claim of ₹43,75,109/- and rejected ₹38,85,792/- by communication dated 17.10.2023, on the ground that the said amount pertained to interest and damages for the period covering the moratorium and post-liquidation period and was therefore inadmissible under the Code.
- vii. The Liquidator submits that subsequent communications from the Applicant seeking reconsideration do not extend limitation, and the decision dated 17.10.2023 remained unchanged, which was reiterated on 12.12.2023.

- viii. A preliminary objection is raised that the present Application is barred by limitation under Section 42 of the Code, which prescribes a period of 14 days to challenge a rejection of claim. It is contended that the present Application has been filed beyond the statutory period and that Section 42 does not provide for condonation of delay.
- ix. On merits, the Liquidator contends that the rejected amount relates to penal damages and interest under Sections 14B and 7Q of the EPF Act and does not constitute provident fund contributions payable to employees. It is argued that only provident fund dues payable to workmen are excluded from the liquidation estate under Section 36(4) of the Code, whereas damages and interest payable to the statutory authority fall within the category of government dues under Section 53.
- x. In support of the above, reliance is placed on decisions of the Adjudicating Authority and other Benches holding that interest and damages payable to EPFO are distinct from provident fund contributions and are to be treated as government dues. Reference is made to decisions including **Shri Addanki Haresh, Liquidator vs Recovery Officer, EPFO I.A. No. 232/2022 in C.P. (IB) No. 320/BB/2019 (NCLT Bengaluru, order dated 20.07.2023)** and **Regional Provident Fund Commissioner vs Excel Glass Ltd. I.A. (IBC)/127/KOB/2023 in IBA/258/2019 (NCLT Kochi)** to contend that damages under Section 14B do not enjoy exclusion under Section 36(4).
- xi. The Liquidator further relies upon the judgment of the Hon'ble Supreme Court in **Sundaresh Bhatt, Liquidator of ABG Shipyard vs Central Board of Indirect Taxes and Customs Civil Appeal No. 7667 of 2021**, to contend that authorities

cannot impose or enforce liabilities in violation of the moratorium or liquidation framework.

- xii. Reliance is also placed on observations of the Hon'ble Supreme Court in ***EPFO vs Fanendra Harkchand Munot Civil Appeal (Diary No. 25286 of 2023)***, emphasising strict adherence to timelines under the Code.
- xiii. It is also contended that recovery or levy of additional liabilities during the moratorium and liquidation period is impermissible under Sections 14 and 33(5) of the Code.
- xiv. The Liquidator denies that any amount was left unadjudicated and asserts that the entire claim, including minor components, was duly considered in the decision dated 17.10.2023. On these grounds, the Liquidator prays for dismissal of the Application.

#### **4. Rejoinder by Applicant:**

The Applicant has filed a Rejoinder to the objections filed by Respondent No. 2, denying the contentions raised therein.

- i. The Applicant submits that the objections regarding delay and negligence are unfounded. It is contended that delay in filing the claim and determination of dues occurred due to the COVID-19 pandemic and procedural requirements under the EPF Act, and that such delay was already condoned by this Tribunal in earlier proceedings.
- ii. The Applicant contends that determination of dues under Sections 7A, 7Q and 14B of the EPF Act involves quasi-judicial proceedings requiring compliance with principles of natural justice, and that quantification of damages and interest could be completed only after determination of principal dues.



- iii. It is further submitted that the liability towards damages and interest arose due to delayed remittance of statutory dues and cannot be disallowed on account of failure to remit contributions in time.
- iv. The Applicant disputes the Liquidator's contention regarding limitation and asserts that the communication dated 12.12.2023 reiterating the rejection constitutes the effective rejection.
- v. On merits, the Applicant disputes the Liquidator's characterization of damages and interest as government dues. It is contended that contributions, interest and damages payable under Sections 7A, 7Q and 14B form part of statutory provident fund liabilities and are inseparable from provident fund dues.
- vi. In support of the above contention, reliance is placed on the judgment of the Hon'ble Supreme Court in ***Maharashtra State Co-operative Bank Ltd. vs EPFO (2009) 10 SCC 123***, wherein it was held that the expression "any amount due from an employer" includes interest and damages and is entitled to statutory priority.
- vii. Reliance is also placed on ***Sunil Kumar Jain & Ors. vs Sundaresh Bhatt(2022) 7 SCC 540***, wherein the Hon'ble Supreme Court held that provident fund dues are protected and do not form part of the liquidation estate.
- viii. The Applicant further relies upon ***Organo Chemical Industries vs Union of India (1979) 2 LLJ 416 (SC)***, to contend that damages under Section 14B are welfare-oriented and intended to augment provident fund reserves.

- ix. Reference is also made to ***Inderjit Singh Grewal vs State of Punjab (2011) 12 SCC 588***, to contend that a party cannot take advantage of its own wrong.
  - x. The Applicant also relies upon the decision of the Hon'ble NCLAT in ***State Bank of India vs Moser Baer Karmachari Union 2023 SCC OnLine NCLAT 2363*** and the judgment in ***Jet Aircraft Maintenance Engineers Association 2019 SCC OnLine NCLAT 447***, to contend that provident fund dues are treated as workmen dues and excluded from the waterfall mechanism.
  - xi. Further reliance is placed on decisions of the Adjudicating Authority, including ***Anuj Bajpai vs EPFO CA.(AT) (Ins) No.1141 of 2023 and I.A. No.3979 of 2023***, to contend that dues under Sections 7A, 7Q and 14B are to be treated as workmen dues and excluded from the liquidation estate.
  - xii. The Applicant reiterates that the CD was a defaulter in statutory remittances and that the EPF authority was compelled to determine dues in accordance with law. On these grounds, the Applicant prays that the Application be allowed.
5. We have heard the Learned Counsel appearing for the parties and carefully perused the material available on record, including the pleadings and the judicial precedents relied upon.
6. **Maintainability of the Application:**
- 6.1. The Liquidator has raised a preliminary objection that the rejection of the claim was communicated on 17.10.2023 and that the present Application, having been filed on 08.01.2024, is barred by limitation under Section 42 of the Code, 2016, which prescribes a period of fourteen days for challenging the decision of the Liquidator.

- 6.2. The Applicant, however, contends that subsequent communications dated 15.11.2023 and 17.11.2023 seeking reconsideration of the claim, followed by the communication dated 12.12.2023, constitute a continuing process of adjudication and that the latter communication should be treated as the effective rejection for the purpose of limitation.
- 6.3. We have carefully considered the rival submissions on the issue of limitation. The material on record demonstrates that the Liquidator had already taken a substantive decision on 17.10.2023 admitting the claim only to a limited extent and rejecting the remaining amount. The subsequent communications relied upon by the Applicant merely sought reconsideration of the earlier decision and did not result in any fresh adjudication or independent determination of the claim by the Liquidator. The communication dated 12.12.2023 only reiterated the earlier decision and cannot, in the facts of the present case, be construed as giving rise to a fresh cause of action under Section 42 of the Code.
- 6.4.1. The scheme of the Code places paramount emphasis on certainty and strict adherence to timelines. Section 42 does not contain any express provision for condonation of delay, and the Hon'ble Supreme Court has repeatedly emphasised that timelines under the Code are not merely procedural but are intrinsic to the insolvency framework itself. Reference in this regard may be made to the observations of the Hon'ble Supreme Court in **EPFO vs Fanendra Harkchand Munot (supra)** emphasising strict compliance with statutory timelines under the Code. In the absence of any material establishing that the rejection itself was first communicated only on 12.12.2023, we are unable to accept the contention of the Applicant that limitation must run from the said date.

6.5. Accordingly, the present Application is liable to be held as barred by limitation under Section 42 of the Code. Consequently is not maintainable.

7. **Merits of the ISSUE:**

Since extensive submissions have been advanced on merits and in view of the evolving jurisprudence concerning the treatment of provident fund dues during liquidation, we deem it appropriate to examine the controversy on merits as well.

7.1. The principal issue which arises for consideration is

Whether interest under Section 7Q and damages under Section 14B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 are to be treated on par with provident fund contributions and consequently excluded from the liquidation estate under Section 36(4)(a)(iii) of the Code.

7.2. The Applicant has relied upon the judgments of

- a. The Hon'ble Supreme Court in ***Maharashtra State Co-operative Bank Ltd. vs Assistant Provident Fund Commissioner (supra)*** and ***Sunil Kumar Jain vs Sundaresh Bhatt (supra)*** to contend that provident fund dues enjoy statutory protection and stand excluded from the liquidation estate.
- b. Reliance has also been placed upon ***Organo Chemical Industries vs Union of India (supra)*** to contend that damages under Section 14B are welfare-oriented in nature and intended to augment provident fund reserves.
- c. Judgments of the Hon'ble NCLAT, including ***Regional Provident Fund Commissioner-II vs Harshavardhan Cotton and Synthetic Mills Pvt. Ltd. and Anuj Bajpai vs EPFO (2026) ibclaw.in 41 NCLAT***, wherein it has been held that the expression "all sums due" from provident fund would

include not merely the principal contribution but also interest under Section 7Q and damages under Section 14B, and that such dues are liable to be excluded from the liquidation estate prior to application of the waterfall mechanism under Section 53 of the Code.

- d. In support of the above contention, reliance is placed on the judgment of the Hon'ble Supreme Court in ***Maharashtra State Co-operative Bank Ltd. vs EPFO (2009) 10 SCC 123***, wherein it has been held that the expression "any amount due from an employer" includes interest and damages and is entitled to statutory priority.
- e. Reliance is also placed on ***Sunil Kumar Jain & Ors. vs Sundaresh Bhatt(2022) 7 SCC 540***, where the Hon'ble Supreme Court has held that provident fund dues are protected and do not form part of the liquidation estate.
- f. Reference is further made to ***Inderjit Singh Grewal vs State of Punjab (2011) 12 SCC 588***, to contend that a party cannot take advantage of its own wrong.
- h. The decisions of the Hon'ble NCLAT in ***State Bank of India vs Moser Baer Karmachari Union 2023 SCC OnLine NCLAT 2363*** and the judgment in ***Jet Aircraft Maintenance Engineers Association 2019 SCC OnLine NCLAT 447***, have been cited to contend that provident fund dues are treated as workmen dues and excluded from the waterfall mechanism.
- i. Further reliance is placed on decisions of the Adjudicating Authority, including ***Anuj Bajpai vs EPFO CA.(AT) (Ins) No.1141 of 2023 and I.A. No.3979 of 2023***, to aver that dues under Sections 7A, 7Q and 14B are to be treated as workmen dues and excluded from the liquidation estate.
- j. The Applicant reiterates that the CD was a defaulter in statutory remittances and that the EPF authority was compelled

to determine dues in accordance with law. On these grounds, the Applicant prays that the Application be allowed.

- 7.3. On the other hand, the Liquidator has relied upon decisions of coordinate Benches, including **Shri Addanki Haresh, Liquidator vs Recovery Officer, EPFO (supra)** and **Regional Provident Fund Commissioner vs Excel Glass Ltd.(supra)**, wherein a distinction has been drawn between provident fund contributions payable for the benefit of employees and statutory interest and damages payable to the EPFO authorities. The Liquidator has contended that while actual provident fund contributions constitute workmen dues protected under Section 36(4)(a)(iii), damages under Section 14B are essentially penal in nature and interest under Section 7Q, though compensatory, is payable to the statutory authority and not directly credited to employees. It has further been contended that such liabilities fall within the ambit of statutory/government dues and are therefore subject to the waterfall mechanism under Section 53 of the Code.
9. The principles laid down in the decisions relied on by both the parties are discussed below.
- 9.1. Applicant has relied upon the judgments of the Hon'ble Supreme Court in **Maharashtra State Co-operative Bank Ltd. vs. Assistant Provident Fund Commissioner** and **Sunil Kumar Jain vs. Sundaresh Bhatt** to support that provident fund dues enjoy a special statutory protection and are excluded from the liquidation estate. Reliance has also been placed upon **Organo Chemical Industries vs. Union of India** to contend that damages under Section 14B are not merely penal in nature but are intended to secure compliance with the beneficial object of the EPF legislation and to protect the interests of employees. The Applicant has further relied upon the recent judgments of the

Hon'ble NCLAT in ***Regional Provident Fund Commissioner-II vs. Harshavardhan Cotton and Synthetic Mills Pvt. Ltd.*** and ***Anuj Bajpai vs. Employees Provident Fund Organisation.***

- 9.2. After examining the judgments of the Hon'ble Supreme Court in ***Moser Baer Karamchari Union, Maharashtra State Co-operative Bank Ltd., Sunil Kumar Jain*** and earlier decisions of the Appellate Tribunal, the Hon'ble NCLAT held that Section 36(4)(a)(iii) takes precedence over the waterfall mechanism contained in Section 53. The Appellate Tribunal further held that the expression "all sums due" from provident fund is of wide amplitude and includes not only amounts determined under Section 7A of the EPF Act but also statutory interest under Section 7Q and damages under Section 14B. The Tribunal further rejected the contention that such protection is available only where a dedicated provident fund account exists and held that even where the employer has failed to maintain or segregate a separate fund, the amounts due towards provident fund, interest and damages would nonetheless be deemed to form part of provident fund dues and remain excluded from the liquidation estate. On that basis, the NCLAT directed that the amount due to EPFO be recovered and paid in priority before distribution under Section 53 of the Code.
- 9.3. Similarly, in ***Anuj Bajpai vs. Employees Provident Fund Organisation***, the Hon'ble NCLAT, relying upon ***Maharashtra State Co-operative Bank Ltd.***, reiterated that the expression "any amount due from an employer" occurring in the EPF Act is not confined merely to contributions assessed under Section 7A but also extends to liabilities arising under Sections 7Q and 14B. The Appellate Tribunal observed that once provident fund dues are excluded from the liquidation estate under Section 36(4)(a)(iii), the waterfall mechanism under Section 53 cannot be invoked to dilute or subordinate such claims.

- 9.4. On the other hand, the Liquidator has relied upon decisions of coordinate Benches including ***Shri Adanki Haresh, Liquidator vs. Recovery Officer, EPFO and Regional Provident Fund Commissioner vs. Excel Glass Ltd.***, wherein a distinction was drawn between provident fund contributions payable for the benefit of employees and statutory interest and damages payable to the EPFO authorities. The Liquidator has contended that while provident fund contributions are protected under Section 36(4)(a)(iii), damages under Section 14B are essentially penal and deterrent in character and interest under Section 7Q, though compensatory, is not directly payable to employees. It is therefore contended that such liabilities partake the character of statutory dues and are liable to be dealt with under the waterfall mechanism prescribed by Section 53 of the Code.
10. Subsequent judgment of the Hon'ble NCLAT in ***Employees Provident Fund Organisation vs. Rachna Jhunjunwala, Chairperson of the Monitoring Committee of Power Max (India) Pvt. Ltd. (2026) ibclaw.in 69 NCLAT*** has emphasised a further distinction. In that case, the Corporate Debtor entered CIRP on 01.05.2023, whereas proceedings under Sections 7Q and 14B were initiated only thereafter by issuance of summons dated 10.05.2023. The Hon'ble NCLAT held that since no final determination of liability under Sections 7Q and 14B existed as on the insolvency commencement date, the liabilities remained uncrystallised and could not be introduced or adjudicated during the subsistence of the moratorium. The Appellate Tribunal observed that the insolvency framework proceeds on the basis of liabilities which have crystallised as on the insolvency commencement date and that continuation of assessment proceedings resulting in determination or enhancement of liabilities during the moratorium would be inconsistent with the scheme of the Code.



11. Thus, the recent appellate jurisprudence establishes two distinct principles.

a. First, where liability under Sections 7Q and 14B has already arisen and forms part of the provident fund dues, such amounts are liable to receive the protection contemplated under Section 36(4)(a)(iii) and are not to be subjected to the waterfall mechanism under Section 53. The entitlement to such protection presupposes the existence of a legally enforceable and crystallised liability.

12. Where proceedings for determination of liability under Sections 7Q and 14B had not attained finality as on the insolvency commencement date, the claim may fail on the ground that it remained uncrystallised.

15. At this Juncture, it is necessary to analyse the Chronology of events in this case.

| Date       | Event                                                                                                                                                                     |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23.09.2020 | Corporate Debtor Admitted in to CIRP.                                                                                                                                     |
| 13.08.2021 | Corporate Debtor Admitted in to Liquidation                                                                                                                               |
| 08.11.2021 | Order passed under 7A determining the amount payable as 62,32,118/- for the period 04/2019 to 08/2021.<br>This entire claim has been admitted and paid by the Liquidator. |
| 23.11.2021 | Order passed determining Penal Damages u/s 14B at Rs 28,92,340/-<br>Interest u/s 7Q at Rs 14,34,740/-                                                                     |
| 01.12.2021 | The Additional Claim made on 23.11.2021 is rejected by the Liquidator.                                                                                                    |

13. As can be seen from above, in the present case, the impugned claim comprises of interest under Section 7Q and damages under Section 14B of the EPF Act. The Liquidator has specifically contended that the rejected amount of Rs.38,85,792/- represents interest and damages computed for the period 12.12.2020 to

12.10.2021, namely during the subsistence of the moratorium and after commencement of liquidation.

14. We are unable to accept the submission that every liability arising under Sections 7Q and 14B necessarily relates back to the date of the original provident fund default irrespective of the period for which such liability is computed. The Applicant has contended that the liabilities under Sections 7Q and 14B are consequential to the underlying provident fund defaults. However, no material has been placed before this Tribunal to demonstrate that the specific amount of Rs.38,85,792/-, which forms the subject matter of the present dispute, had crystallised as a liability payable on the insolvency commencement date. On the contrary, the Liquidator has consistently maintained that the rejected amount pertains to interest and damages computed for the CIRP and post-liquidation period. Consequently, the claim cannot be equated with the pre-insolvency provident fund liabilities considered in ***Harshavardhan Cotton and Anuj Bajpai***.
15. The claim pertaining to interest and damages computed for the CIRP and post-liquidation period stands on a materially different footing and attracts the principles explained by the Hon'ble NCLAT in ***Employees Provident Fund Organisation vs. Rachna Jhunjhunwala, Chairperson of the Monitoring Committee of Power Max (India) Pvt. Ltd. (2026) ibclaw.in 69 NCLAT***.
16. In these circumstances, we are satisfied that the Applicant has failed to establish any legal infirmity or jurisdictional error in the decision of the Liquidator in rejecting the claim of Applicant to the extent of Rs.38,85,792/-.
17. After due appreciation of the Issues as above, We hold that
  - a. The Application is not maintainable as it is beyond Limitation period.

- b. On merits, the 7Q and 14B demands created during the Moratorium period cannot be considered as Section 33(5) creates an embargo.

Hence, I.A. No.253 of 2024 in C.P. (IB) No. 198/BB/2020 stands ***dismissed***.

**-Sd-**

**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd-**

**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**