



HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 2706 of 2026

Virendra Kumar Agarwal And 2 Others

.....Petitioner(s)

Versus

Employees Provident Fund Organization (Epfo)
And 2 Others

.....Respondent(s)

Counsel for Petitioner(s)	: Abhijit Chatterji, Diptiman Singh
Counsel for Respondent(s)	: Mohd. Saleem Khan, Yogesh Kumar Tripathi

Court No. - 36

HON'BLE ARUN KUMAR, J.

1. Heard Sri Diptiman Singh, learned counsel for the petitioners, Sri Manas Bhargav, learned counsel for the respondent nos. 1 & 2 and Sri Mohd. Saleem Khan, learned counsel for the respondent no. 3.

2. The present petition has been filed challenging the order of the respondent no. 2, dated 14.11.2025, for recovery of a sum of Rs. 3,01,697/- from the petitioner, which are outstanding dues for the period 1970 to 1979, regarding the contribution of employees provident fund by the employer determined under Section 7A and 14B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (hereinafter referred to as 'the Act of 1952').

3. It is contended by the learned counsel for the petitioner that the outstanding amounts of provident fund contribution for the period 1970 to 1979 are being recovered from the petitioner under Section 17B of the Act of 1952, stating that M/s R.R. Steel and Alloys was company owned by the grandfather of the petitioner and he has succeeded to the said company as his grandson.

4. It is contended by the learned counsel for the petitioner that in respect of outstanding loan from the U.P. Financial Corporation Limited, the factory alongwith land, held by the Company was taken in possession by the U.P.F.C. on 15.03.1985. The writ petition filed by late Ram Avtar, the grandfather of the petitioner, challenging the recovery proceedings, was

allowed by the judgment and order dated 11.12.2015, by which, the outstanding liability was accepted to have been satisfied by deposit of a sum of Rs. 1.28 crore by the grandfather of the petitioner and a direction was issued to restore back possession of the land to the petitioner. However, as U.P.F.C. had created a third party right, the said land has not been restored back to the petitioner till date. As the factory set up by the grandfather of the petitioner had closed down due to taking of possession of the entire property by the UPFC and the company also ceases to exist as on date, the petitioner did not succeed any land or asset of the said company being heir of his grandfather, therefore, no liability can be transferred on the petitioner under the provisions of Section 17B of the Act of 1952.

5. The counsel for the respondent nos. 1 & 2 contends that the outstanding amounts sought to be recovered from the petitioner are determination under Section 7A and 14B of the Act of 1952. As the determination is appealable under Section 7I of the Act of 1952, the writ petition is not maintainable. He further contends that the provisions of the Limitation Act does not apply to the Act of 1952, therefore, the recovery, even though, after 47 years is not barred by time.

6. I have considered the submissions made by learned counsel for the parties and perused the record.

7. The determination under Section 7A and 14B of the Act of 1952, for the period 1970 to 1979, was against the grandfather of the petitioner when the company was running and employees were working in the factory.

8. In view of admitted position that the unit and company was closed down in the year 1985, there are no employees of the company existing as on today claiming any outstanding amount. The liability that has been fixed upon the petitioner is in exercise of provisions of Section 17B of the Act of 1952, which provides that where an employer, in relation to an establishment, transfers that establishment in whole or in part, by sale, gift, lease or license or in any other manner whatsoever, the employer and the person to whom the establishment is so transferred shall jointly and

severally be liable to pay the contribution and other sums due from the employer under any provision of this Act or the Scheme or the Pension Scheme or the Insurance Scheme, as the case may be, in respect of the period up to the date of such transfer. Provided that the liability of the transferee shall be limited to the value of the assets obtained by him by such transfer.

9. In the case in hand no assets have been obtained by the petitioner by way of succession to the company M/s R.R. Steel and Alloys and its Unit, which was admittedly closed in 1985. The record shows that despite the writ petition of the grandfather of the petitioner having been allowed, UPFC, till date, has not restored the possession of the land, on which the Unit of the Company was situated.

10. In view of the aforesaid, I find that the recovery sought from the petitioner under Section 17B of the Act of 1952, is illegal and justified.

11. The matter requires consideration.

12. All the respondents are granted four weeks' time to file counter affidavit. Rejoinder, if any, may be filed within two weeks, thereafter.

13. List thereafter.

14. Meanwhile, the effect and operation of the order dated 14.11.2025, passed by the respondent no. 2, shall be kept in abeyance.

(Arun Kumar,J.)

February 4, 2026
Ranjeet Sahu