

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

WEDNESDAY, THE FIFTEENTH DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

**THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN**

WRIT APPEAL NO: 422 OF 2026

Writ Appeal under clause 15 of the Letters Patent Preferred Against the Order
Dated 03/12/2025, in W.P.No.25847 of 2025 on the file of the High Court.

Between:

1. Chiral Bio-Sciences Ltd., Rep. by Sri Rameshwar Reddy, managing Director, Plot No. 184 & 185, Phase-II, IDA Mallapur, Hyderabad-500076, Telangana State.
2. Likki Rameshwar Reddy, Managing Director, Age 26 years, Chiral Bio-sciences Ltd., Plot No. 184 and 185, Phase-II, IDA Mallapur, Hyderabad-500076, Telangana State.

...APPELLANTS/PETITIONER

AND

1. Central Board of Trustees, Rep by the Chairman, Central Board of Trustees, (EPFO), Ministry of labour, Shram Shakti Bhavan, Rafi Marg, New delhi-110011.
2. Addl. Central Provident Fund Commissioner, Telangana Zone, Central Board of Trustees, (Employees Provident Fund Organization), NAC Campus, Kothaguda, Hyderabad-500084.
3. Regional Provident Fund Commissioner, Employees Provident Fund Organisation, (Ministry Of Labour, Government of India) 3-4-763, Barkatpura, Hyderabad- 500027.
4. Asst. Provident Fund Commissioner, Employees Provident Fund Organization, (Ministry of Labour, Government of India) 3-4-763, Barkatpura, Hyderabad- 500 027.

...RESPONDENTS/RESPONDENTS

I.A. NO: 1 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay the

operation of the impugned Orders, namely, 1) Assessment Order, passed under Section 7A of the Act vide the Order No. TS7gO/HYD(BKP)/61812/Comp-II/T-2/2024-25/555, dated 17/09/2024, for an amount of Rs.1,34,73,725/- (One Crore Thirty Four Lakh Seventy Three Thousand Seven Hundred and Twenty Five Rupees Only), 2) Prohibitory Order issued by the Respondent vide the EPF CP - 3, vide File No. 277, dated 24/06/2025, for an amount of Rs.1,60,79,005/-(One Crore Sixty Lakh Seventy Nine Thousand and Five Rupees only), 3) SCN before Warrant of Arrest, under EPFCP-25, vide the Notice No. TS/RO/HYD/BKP/Recovery/61812/2025-26/359, dated 30/07/2025 in resp. of a Recovery Certificate for an amount of Rs.1,60,76,805/- (One Crore Sixty Lakh Seventy Six Thousand Eight Hundred and Five Rupees), as it would cause irreparable damage and injury to the Petitioner-establishment.

Counsel for the Appellants: SRI E.S.SANJEEVA RAO FOR Ms. T.SWETHA
Counsel for the Respondents: SRI D.RAGHAVENDAR RAO

The Court made the following: JUDGMENT

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT APPEAL No.422 of 2026

Dated: 15.04.2026

Between:

Chiral Bio-Sciences Ltd.,
and another.

...Appellants

and

Central Trust of Trustees,
Rep. by the Chairman,
Central Board of Trustees (EPFO),
Ministry of Labour, Shram Shakti Bhavan,
Rafi Marg, New Delhi – 110 011,
and 3 others.

...Respondents

JUDGMENT:

Learned counsel Sri E.S.Sanjeeva Rao, representing learned counsel Ms. Swetha Thakur, appears for the appellants.

Learned counsel Sri D.Raghavendar Rao appears for the respondents.

2. The present appeal arises out of the judgment dated 03.12.2025 passed by the learned writ court dismissing W.P.No.25847 of 2025 filed by the appellants.

3. The learned writ court refused to interfere in the order dated 17.09.2024 passed under Section 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (hereinafter referred to as, "the Act"), whereby respondent No.4 has determined the provident fund dues of Rs.1,34,73,725/- upon best judgment assessment. The consequential recovery proceedings initiated under Section 8B and 8G of the Act, including the prohibitory order in E.P.F.C.P.3 dated 24.06.2025 for Rs.1,60,79,005/- and the show cause notice before issuance of warrant of arrest under E.P.F.C.P.25, dated 30.07.2025, issued pursuant to the recovery certificate were also challenged in the writ petition. The learned writ court upheld the action of respondent No.4 in initiating the proceedings under Section 7A of the Act, the determination made and the consequential proceedings as being proper in the eye of law. The learned writ court also took into account that about 60 adjournments were granted over a period of two years and more from the date of initiation of the proceedings under Section 7A of the Act till the

impugned assessment order was passed on the basis of best judgment assessment on available evidence, including the financial documents. Being aggrieved, the appellants have preferred this appeal.

4. On the plea of alternative remedy of appeal against the order passed under Section 7A of the Act, learned counsel for the appellants submits that the consequential orders under Section 8B and 8G of the Act, the prohibitory order and the show cause notice are not amenable to the appellate authority under Section 7-I of the Act. On merits, it has been contended that respondent No.4 conducted the original proceedings under Section 7A of the Act in violation of principles of natural justice denying the opportunity to rebut the grounds taken by it for assessment of the alleged outstanding dues of the employees under the Act.

5. Learned counsel for the respondents, on the other hand, contended that despite 60 adjournments granted to the employer, due to non-production of the statutory records, the authority had been left with no other option than to determine the dues on available materials, including the financial statements and balance sheets. The authority also relied upon the decision of the Supreme Court in **Panther Security**

Service (P) Ltd. v. EPFO¹. Learned counsel for the respondents has also taken a plea that the appellants have approached the learned writ court without exhausting the alternative remedy of appeal under Section 7-I of the Act.

6. Upon hearing learned counsel for the parties and after taking note of the relevant materials placed on record, we are of the view that determination of outstanding dues under Section 7A of the Act are amenable to the appellate remedy provided under Section 7-I of the Act, hedged with the requirement of pre-deposit under Section 7-O of the Act. All contentious issues on facts and on law can be raised before the appellate authority. The appellants have failed to avail the appellate remedy by straightaway approaching the writ court. The consequential proceedings under Section 8B and 8G of the Act and the prohibitory orders have been issued only due to non-payment of adjudged dues by the employer-appellants. In such circumstances, learned counsel for the appellants seeks liberty to approach the appellate authority with an application for condonation of delay and statutory deposit, subject to any waiver granted under the proviso to Section 7-O of the Act by the appellate authority. He submits that the appellate authority may be

¹ 2020 SCC OnLine SC 981

directed to consider the question of delay sympathetically, since the appellants were pursuing their remedy before this court.

7. On consideration of the rival submissions of the parties and on the facts and circumstances noted above, since the appellants also have raised contentious issues on merits relating to determination of dues under Section 7A of the Act, we are inclined to grant liberty to the appellants to approach the appellate authority and raise all such grounds of law and facts that are available to them. Let such appeal be filed within a period of three weeks with an application for condonation of delay and with statutory deposit, subject to any waiver granted under the proviso to Section 7-O of the Act by the appellate authority. Needless to say, the appellate authority shall consider the question of delay sympathetically taking into account the period spent by the appellants in pursuing the remedy before this court.

8. The writ appeal is accordingly disposed of with the aforesaid liberty. Let it be made clear that no observations made on merits by the learned writ court or by this court would influence the appellate authority in taking the decision in accordance with law. There shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

**SD/- MOHD. ISMAIL
DEPUTY REGISTRAR**

//TRUE COPY//

SECTION OFFICER

To

1. The Chairman, Central Board of Trustees, Central Board of Trustees, (EPFO), Ministry of labour, Shram Shakti Bhavan, Rafi Marg, New delhi-110011.
2. Addl. Central Provident Fund Commissioner, Telangana Zone, Central Board of Trustees, (Employees Provident Fund Organization), NAC Campus, Kothaguda, Hyderabad-500084.
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4. Asst. Provident Fund Commissioner, Employees Provident Fund Organization, (Ministry of Labour, Government of India) 3-4-763, Barkatpura, Hyderabad- 500 027.
5. One CC to Ms. T.SWETHA, Advocate [OPUC]
6. One CC to SRI D.RAGHAVENDAR RAO, Advocate [OPUC]
7. Two CD Copies

PSK.

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HIGH COURT

DATED: 15/04/2026

**JUDGMENT
WA.No.422 of 2026**



**DISPOSING OF THE WRIT APPEAL
WITHOUT COSTS**

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