

EPF Act provisions applicable to private security agency: Supreme Court

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- **The Supreme Court said the appellant company is engaged in the specialised and expert services of providing trained and efficient security guards to its clients on payment basis.**

NEW DELHI : The provisions of the Employees' Provident Fund Act are applicable to private security agencies providing personnel to clients, the Supreme Court said on Wednesday. A bench of Justices Navin Sinha and Surya Kant said the appellant company is engaged in the specialised and expert services of providing trained and efficient security guards to its clients on payment basis. The apex court rejected the firm's contention that it merely facilitated in providing Chowkidars, holding that the provisions of Private Security Agencies (Regulation) Act, 2005 make it clear that the firm is the employer of such security guards and are paid wages by it.

"Merely because the client pays money under a contract to the appellant and in turn the appellant pays the wages of such security guards from such contractual amount received by it, it does not make the client the employer of the security guard nor do the security guards constitute employees of the client," the bench said.

The top court held that the appellant company never made available the statutory registers under the Act of 2005 to the authorities under the EPF Act and it has no hesitation in holding that it actually withheld relevant papers.

The provisions of the EPF Act are applicable to a private security agency engaged in the expert service of providing personnel to its client, if it meets the requirement of the EPF Act," the apex court said.

The judgement came on a plea filed by Panther Security Service Pvt Ltd which provides private security guards to its clients on payment basis.

The company, registered under the Act, approached the top court against the high court order, affirming the direction of Assistant Provident Fund Commissioner, Kanpur, holding the appellant liable for compliance with the provisions of the EPF Act and to deposit statutory dues within 15 days.

According to the company, it was not covered under the EPF Act, since it was not engaged in rendering any expert services and merely facilitated in providing Chowkidars to its clients.

It argued that the company only levelled a service charge for facilitation and the salary was paid to the Chowkidars by the client who engaged their services.