BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL- CUM - LABOUR COURT, ERNAKULAM.

Date: 09-03-2026

Present: SUSHIL KUMAR-II,
PRESIDING OFFICER

Appeal No.162/2019
(Old No. ATA.801(7)15)

BETWEEN

M/s.Kerala State Co-operative Consumer
Federation Limited,
Gandhi Nagar, Ernakulam,
Kerala-682 020. : 1st Party/Appellant

AND

The Regional Provident Fund Commissioner
Employees Provident Fund Organization,
36/685A, Bhavishyanidhi Bhavan,
Kaloor, Kochi – 682017 : II Party/Respondent

Appearance:

For the Appellant	: M/s. P.Ramakrishnan, Advocates
For the Respondent	: Mr.Sanjeev Kumar K.Gopal, Advocate

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The present appeal has been filed by the Appellant against the order of the Regional PF Commissioner, Kochi No. KR/KCH/4144/Enf.1(2)/2015/1783 dated 22.05.2015 by which dues amounting to Rs.7,61,19,802/- was saddled against the Appellant u/s.7A of the EPF & Miscellaneous Provisions Act, 1952.

2. As per the case of the Appellant, the Appellant is apex body of Consumer Co-operatives in the State of Kerala under the provisions of Kerala Co-operative Societies Act, 1969 with the object of making bulk procurement of consumer goods and supply to affiliated and other co-operative societies. The establishment is covered under the EPF & Miscellaneous Provisions Act, 1952 (hereinafter called

as the 'the Act'). The Appellant stated that over the years the Appellant appointed trainees for short term duration in its zonal office and Regional Offices within the State. Most of the said daily wage employees drew more than Rs.6,500/- as wages and thus they were 'excluded employees'. But, the Respondent calculated the dues taking into account excluded employees and trainees Appellant statement that they have no objection in giving EPF benefits to its employees was wrongly taken as consent for enrolling all the employees. The Appellant statement was to the effect that all eligible employees could be brought within the ambit of the Act and Annexure-II enclosed with memo of appeal clearly shows that many of the employees were drawing more than Rs.6500/- from the inception of their service.

3. The Respondent in its reply stated that several employees engaged by the establishment were not enrolled under EPF scheme. The Enforcement Officer has submitted his inspection report dated 28.05.2012 and found that establishment is having 425 branches / units all over the State of Kerala and there are still 1343 employees are to be enrolled under EPF Scheme from their actual date of joining. Further, 62 non-enrolled employees were engaged by contractors who are running Triveni Coffee Shops at Gandhi Nagar and the employer of the establishment was defaulted in payment of actual contributions due under the Act.

4. Heard both the learned counsel appearing on either side and perused the records. The first point that arises for determination is

whether the Respondent authorities has included the employees whose wages being paid more than Rs.6500/- per month? If yes, its effect? The second point for determination is whether the trainee employees are entitled to get benefit of EPF contribution?

5. On perusal of Annexure-II, it appears that some employees are getting more than Rs.6500/- per month, but they are included in the list of beneficiary of PF contribution. Although, each and every employee do not get more than Rs.6500/- per month, but few employees were getting more than Rs.6500/- per month and such employees do come under the category of excluded employees.

6. The learned counsel for the Appellant further argued that trainee workers are also included in the list of beneficiaries for PF contribution. During the course of arguments, the learned counsel was unable to answer the query raised as to how many workers were engaged as trainee workers and since how many years they were performing the work of the Appellant as trainee workers. In the memo of appeal, the Appellant failed to mention real numbers and period of trainee workers.

7. The Appellant failed to mention the fact that some employees got formal apprentice registration and were engaged as trainees under Apprenticeship Act. When there is no formal apprenticeship registration under the Apprentice Act, such trainees are entitled to

cover under EPF Act. Furthermore, the Appellant failed to mention that trainees were engaged under any Standing Orders of a training scheme. The EPF is not required during the training period, but the Appellant failed to mention the training period of trainee employees.

8. In the absence of above discussed facts, it may be presumed that trainees were actually doing the work of regular employees and the Appellant stated that training is provided only to the benefits of employees. It is also worth to mention that the Appellant fails to describe formal training programme and the duration of training period.

9. In the case of RPFC Vs M/s. Central Aercanut & Coca Marketing Ltd., 2006 (2) SCC 381, the Hon'ble Supreme Court held that workmen engaged by the Appellant under Apprentice Act and certified standing orders are not employees for EPF purpose and therefore, EPF contribution is not required. The Appellant failed to describe the period of training scheme and trainees under the Apprenticeship Act and certified standing orders. Therefore, the order of the Respondent authorities regarding payment of EPF contribution is valid, except for those employees who were getting salary of more than Rs.6500/- per month and those employees are to be excluded from the purview of EPF liability by the Appellant.

ORDER

Thus, the appeal is partially allowed with the following directions:-

The Respondent authority is directed to exclude the names of workmen who were getting salary of more than Rs.6500/- per month and the rest of the impugned order is confirmed. Ordered accordingly.

Place : EARNAKULAM
Date : 09.03.2026

(SUSHIL KUMAR-II)
PRESIDING OFFICER