



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 3RD DAY OF FEBRUARY, 2025

BEFORE

THE HON'BLE MR JUSTICE ANANT RAMANATH HEGDE

WRIT PETITION NO. 37725 OF 2014 (L-PF)

BETWEEN:

MANDYA MILK UNION LTD (MANMUL)
GEJJALAGERRE, MADDUR,
MANDYA DISTRICT-571 428, KARNATAKA,
REPRESENTED BY ITS MANAGING DIRECTOR,
DR. V.LAKSHMAN REDDY.

...PETITIONER

(BY SRI ABHINAV R, ADVOCATE)

AND:

1. EMPLOYEES PROVIDENT FUND
APPELLATE TRIBUNAL,
(MINISTRY OF LABOUR AND EMPLOYMENT),
GOVERNMENT OF INDIA,
4TH FLOOR, CORE 2, SCOPE MINAR,
LAXMI NAGAR, DELHI,-110092,
REPRESENTED BY ITS REGISTRAR.
(DELETED AS PER ORDER OF HON'BLE
COURT DATED: 10.10.2014)
2. REGIONAL PROVIDENT FUND COMMISSIONER
(C & R) SRO MYSORE,
EPF ORGANIZATION, MINISTRY OF LABOUR
GOVERNMENT OF INDIA,
BHAVISHYANIDHI BHAVAN,
SUB-REGIONAL OFFICE NO.109-128,
GAYATHRIPURAM 2ND STAGE,
MYSORE-570 019.

...RESPONDENTS

(BY SRI M PRADEEP, ADVOCATE FOR R2,
V/O/DT: 10.10.2014 R1 IS DELETED)

Digitally
signed by
PRAMILA G V
Location:
HIGH COURT
OF
KARNATAKA



THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER PASSED BY THE R-2 DATED 9.11.2012 AT ANN-E AND THE ORDER DATED 15.1.2014 PASSED BY THE R-1 IN APPEAL AT ANN-J, AND ALL PROCEEDINGS IN RELATION THERETO.

THIS PETITION, COMING ON FOR FURTHER HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR JUSTICE ANANT RAMANATH HEGDE

ORAL ORDER

Heard the learned counsel appearing for the petitioner as well as the counsel appearing for respondent No.2.

2. Respondent No.1 is deleted vide order dated 10.10.2014.

3. Petitioner is a Federal Milk Union established and registered under the Karnataka Co-operative Societies Act, 1959 (for short 'Act of 1959'). Petitioner is assailing the order dated 09.11.2012 passed by respondent No.2 marked at Annexure-E and also the order dated 15.01.2014 passed by respondent No.1 marked at Annexure-J.



4. In terms of the order at Annexure-E, the Regional Provident Fund Commissioner in exercise of power under paragraph No.26B of the Employees' Provident Fund Scheme 1952 read with Section 7A of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (for short 'Act of 1952') has held that three Milk Producers Co-operative Societies are the branches of the petitioner under Section 2A of the Act of 1952 and consequently, the employees of the said three Milk Producers Co-operative Societies are entitled to membership in the petitioner establishment under Employees' Provident Fund Scheme.

5. The petitioner aggrieved by the said order, has filed appeal before the Tribunal. The Tribunal in terms of the impugned order referred to above, has dismissed the appeal.

6. Learned counsel appearing for the petitioner would contend that petitioner is a Milk Union established and registered under the Act of 1959 and 7 employees mentioned in Annexure-B are the employees of 3 different Milk Producers Co-operative Societies which are



independently established and registered under the Act of 1959. 7 persons named in the impugned order are the employees of the said 3 Milk Producers Co-operative Societies and there is no relationship of employer and employee between the petitioner-Milk Union and 7 persons named in the notice at Annexure-B. Thus, he would contend that respondent No.2 as well as the Tribunal erred in holding that the said 7 employees are to be registered for Provident Fund Scheme as the employees of the petitioner- Union.

7. Learned counsel for respondent No.2 would contend that the definition of 'establishment' under Section 2A of the Act of 1952, includes all the branches and different departments of the establishment irrespective of their place/location as such, 3 Milk Producing Co-operative Societies would also become the part of the petitioner-Milk Union. To substantiate his contention, he would also contend that 3 Milk Producers Co-operative Societies have subscribed to the share capital of the Milk Union and they have voting power in the election to the Board of the Union and all these factors would demonstrate that said 3 Milk Producers



Co-operative Societies are part of the petitioners Milk Union and the employees of the Milk Producers Co-operative Societies are to be treated as the employees of the petitioner's Union. Referring to these circumstances, it is urged that 7 employees named in the impugned order are to be enrolled for Provident Fund Scheme as employees of the Union.

8. This Court has considered the contentions raised at the bar and perused the records.

9. The records, particularly the notice dated 20.04.2012 at Annexure-B at page 42 would clearly demonstrate that 3 employees namely K.C. Chenne Gowda, K.C. Prasanna and D. Hanumanthu are employees of Milk Producers Co-operative Society, Kallenahally village and remaining two other employees namely H.K. Nagaraju and H.M. Srinivasa are employees of Milk Producers Co-operative Society, Honaganahally and remaining 2 namely Pushaplatha C and Indira are employees of Milk Producers Co-operative Society, Avverahally, Yeliyur.



10. Admittedly, the Co-operative Societies referred to above are registered under the Act of 1959. Under Section 9 of the Act of 1959 Co-operative Societies registered under the Act of 1959 would become a body Corporate and is an independent entity. Under the Act of 1959, a primary Co-operative Society can become a member of the federal Society or a Union. Merely because a primary Co-operative Society becomes a member of the federal Society or a Union that does not mean that the employees of the primary Co-operative Societies would be the employees of the Union. Merely because a primary Co-operative Society, is allowed to participate in the election to the Board of the Co-operative Society that does not mean that the member Society becomes a branch or department of the said Society.

11. The authority under the Act as well as the Tribunal have not considered these aspects of the matter. They erroneously proceeded to hold that 7 employees named above who are working in 3 different societies named above are the employees of the petitioner Milk Union and are to be enrolled for membership under the Provident Fund Scheme.



12. Under these circumstances, this Court is of the view that the impugned orders are unsustainable.

13. There is nothing on record to show that the management of the Milk Union and the Management of the Co-operative Society is one and the same. The finding that 3 Milk Producers Co-operative societies are the branches of the petitioner - Union is without any basis. The competent authority as well as the appellate authority have totally misconstrued the judgments of the Apex Court and judgments of this Court which are rendered in a different factual context.

14. Implication of Section 9 of the Act of 1959 is not considered by the competent authority and the appellate tribunal. Hence, the impugned orders are unsustainable.

15. Hence the following:

ORDER

- (i) The Writ Petition is ***allowed***.
- (ii) The impugned order dated 09.11.2012 passed by 2nd respondent marked at



Annexure-E and the order dated 15.01.2014
passed by 1st respondent marked at
Annexure-J are quashed.

(iii) No order as to cost.

Sd/-
(ANANT RAMANATH HEGDE)
JUDGE

CHS/GVP
List No.: 1 Sl No.: 38