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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ LPA 424/2014

UNION OF INDIA & ANR .....Appellants

Through: Mr. Brijesh Kumar Tamber, Ms. Arani Mukherjee, Mr.Vinay Singh Bist and Mr. Yashu Rustagi, Advocates

versus

M/S SHRIRAM COCONUT PRODUCTS (P) LIMITED & ORS .....Respondents

Through: Mr. Sanjay Gupta, Ms. Aditi Pundhir and Mr. Rishabh Wahi, Advocates

CORAM:
HON'BLE MR. JUSTICE C.HARI SHANKAR
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT (ORAL)

% 12.03.2026

OM PRAKASH SHUKLA, J.

CM APPL. 82384/2025 (Restoration)

1. At the outset, it is pertinent to note that the present appeal was dismissed in default for non-prosecution on 26.11.2025.

2. Having heard the learned Counsel for the applicant and in the interests of justice, we are inclined to allow the present application.

3. Accordingly, order dated 26.11.2025 is recalled and the appeal is restored to its original position.

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4. This appeal is directed against judgment dated 03.09.2013

passed by a learned Single Judge of this Court, whereby the order dated 27.06.2005 passed by Respondent No. 2, i.e., Employees Provident Fund Appellate Tribunal[1], was set aside.

5. The issue in controversy is short. We are only required to consider whether the activities of the respondent would fall within Schedule I to the Employees Provident Funds and Miscellaneous Provisions Act, 1952[2].

6. The present dispute emanates from a notice/letter dated 02.03.1998 issued by Appellant No. 1 to include Respondent No. 1 within the ambit of the EPF Act. This was contested by Respondent No. 1 on the ground that it was engaged in the activity of desiccating coconuts which did not fall under Schedule I of the Act. Consequently, an enquiry under Section 7A of the Act was initiated wherein it was held on 03.07.1998 that coconut was indeed a fruit and accordingly, Respondent No. 1 fell under Schedule I of the Act.

7. Being adversely affected, Respondent No. 1 applied for the review of the aforesaid order under Section 7B of the Act, which was also dismissed by the Assistant Provident Fund Commissioner in his order dated 22.01.2001. It was observed as under:

> *"5. There is no dispute that as per the new Webster dictionary the coconut is edible fruit. The process involved is dessication, Dessicate as per Webster dictionary means to dry up, to dry to remove moisture from the dehydrate etc.*
> *I have also gone through the book of accounts of the establishment wherein found that the final product is sold mostly to Biscuit companies and confectionaries. The product is packed in polywoven bags packed in card*

[1] "EPFAT", hereinafter
[2] "EPF Act"/ "Act", hereinafter

board bags.
The removal of moisture from the coconut is to preserve the product for longer period. As such the department has covered M/s. Sri Ram Coconut Products Ltd. Batlagundu rightly under the Schedule head fruit & vegetable preservation industry. Now, therefore I, Suthanthiraraman, Assistant Provident Fund Commissioner, Madurai in exercise of the power conferred on under Section 7B order that the provisions of the Act are applicable w.e.f. 22,09.97 and accordingly M/s. Sri Ram Coconut Products Ltd. is required to report compliance w.e.f. 22.09.97."

8. Resultingly, Respondent No. 1 preferred a statutory appeal before EPFAT, which came to be dismissed on 27.07.2005 holding that coconut is deemed as a fruit for the purposes of the EPF Act.

9. Aggrieved, Respondent No. 1 challenged this order before a learned Single Judge of this Court and on 03.09.2013, *vide* the impugned judgment, the order ofEPFATwas set aside on the ground that coconut is not to be construed as a fruit for the purposes of EPF Act.

10. By way of the impugned judgment, the learned Single Judge placed reliance on the judgment rendered by the Supreme Court in ***Shri Bharuch Coconut Trading Co. and Ors. v. The Municipal Corporation of the City of Ahmedabad***[3], specifically to the following passage therein:

"5. In P.A. Thillai Chidambara Nadar v. Addl. Appellate Asstt. Commissioner, Madurai and Anr. [1985] 60 STC 80 this Court was to consider whether ripend coconut which is none other than watery coconut is an exempted article as vegetable under the Tamil Nadu General Sales Tax Act (1 of 1959). This Court held that fresh fruits and vegetables being household articles of everyday use for the table, these will have to be construed in the popular sense, meaning the sense in which every householder will understand them. Viewed from this angle, the most apposite test would be an answer to a simple question: Would a householder

[3] **AIR 191 SC 494**

when asked to bring home some 'fresh fruits' and some 'vegetables' for the evening meal, bring coconut too? Obviously the answer is in the negative. Accordingly this Court held that ripend coconut is neither a fresh fruit nor vegetable. The watery coconut is no doubt a ripend coconut used for several purposes like offerings to a deity in a Hindu temple being broken or used on auspicious occasions or used in preparation of the daily table food or in confectionary like biscuits or in the extraction of oil when it is fresh or dried kernel. When a person in the commercial market goes and asks for coconut no one will consider brown coconut to be vegetable or fresh fruit, much less a green fruit. ***No householder would purchase it as a fruit.*** *No doubt in some English Dictionary, coconut is called a fruit or nut but it is to be understood in its ordinary commercial parlance. In Sri Krishna Coconut Co. v. Commercial Tax Officer, Amalapuram, [1965] 16 STC 511 the Andhra Pradesh High Court was to consider whether fully grown coconut with well developed kernel containing water i.e. watery coconut could be called tender or dried coconut. In that context considering the scope of an explanation to Schedule III of the A.P. General Sales Tax Act, 1957 which exempted tender coconut from the sales tax under the Act, it was held that in a tender coconut, the kernel is hardly formed or is only in the initial stages of formation. In a dried coconut the kernel has formed and fully developed and further the water inside the coconut has dried up leading to the drying of the kernel also. But a fully grown coconut with a well developed kernel, which contains, water cannot be called either a tender or a dried coconut. This is well-known that coconut is used for culinary purposes and on auspicious occasions and as part of the offerings in temples. It was held in that case that the watery coconuts are fully developed coconuts and they are exigible to sales tax. In KunchiRajeshwara Sastry &Sons and Anr. v. Asstt. Commnr. of Commercial Taxes, Kakinada, and Ors. [1976] 37 STC 399 the division Bench of the Andhra Pradesh High Court was to consider whether Copra is an oil-seed within the meaning of item (vi) of the list of declared goods mentioned in Section 14 of the Central Sales Tax Act, 1956, and whether it is eligible to sales tax under the Andhra Pradesh Sales Tax Act, 1957. In that context it was held that Copra is an oil-seed and it is a declared good within the meaning of Central Sales Tax Act, 1956. The watery coconuts are made liable to tax at the point of last purchase and that, therefore. Copra would be taxed till that period at the point of last purchase and the coconut of all varieties would include Copra also. Therefore, it is a declared goods. The Division Bench while considering whether Copra is an oil-seed held thus: Coconut is understood in several forms, namely, tender " coconut, watery coconut, dried coconut and Copra, and all these come under the expression coconut. Except in the case of tender coconut from which oil cannot be extracted, in all other cases, oil can be extracted and all of them are regarded in common parlance as oil-seeds. In Sri Lakshmi Coconut Industries v. The State of Karnataka and Anr. [1980] 46 STC 404 the Division Bench of the Karnataka High Court was to consider whether desiccated coconut falls within the entry coconut, which is one of the declared goods Under Section 14 of the Central Sales Tax Act, 1956 and is also included at entry 5 of the Fourth Schedule to the*

Karnataka Sales Tax Act, 1957. In that context the meaning of the word oil-seeds was extensively examined by the Division Bench and held that desiccated coconut is a coconut and a declared good Under Section 14 of the Central Sales Tax Act, 1956, In Deputy Commissioner of Agrl. Income-tax and Sales-tax, Kerala v. A.P. Raman, [1960] 11 STC 263 the Kerala High Court also took the same view. In Commissioner of Sales-tax v. Ram Kumar Nand Kumar, [1973] 31 STC 321 the Allahabad High Court also held that coconut is an oil-seed within the definition of Section 3-AA(l)(vi) of the U.P. Sales Tax Act, 1948."

11. Following the extraction of the aforenoted passage from the decision in ***Bharuch (supra)***, the learned Single Judge holds thus:

"5. In my opinion, the observations of the Supreme Court in the case of ***Shri Bharuch Coconut Trading Co. and Ors.*** *(supra) that we must interpretexpression "coconut" and "fruit" in the layman's language have to beapplied even with respect to interpreting the relevant entry in the EPF Actbecause when a person in the market goes and asks for coconut,* ***no one will consider the brown coconut to be a vegetable or a fruit, and definitely not a green fruit****. More importantly, the Supreme Court in the case of* ***ShriBharuch Coconut Trading Co. And Ors.*** *(supra) observed that nohouseholder would purchase the brown coconut as a fruit.* ***Therefore, in my opinion, taken in the layman's meaning, the dry brown coconut cannot be said to be a fruit and that meaning has to be taken for interpretation of the relevant entry of the EPF Act****. The issue in this case is not free fromdifficulties because coconut is a natural product which is sold in differentforms and for different purposes, as stated above, however in my opinion,* ***a dry brown coconut definitely is not a fruit as it is not so understood in common parlance and which meaning has to also apply for interpretation of the relevant entry in the EPF Act.****"*

(emphasis supplied)

12. The learned Single Judge also noted the reliance placed by the appellant on the judgment of the Supreme Court in ***Maharashtra State Co-operative Bank Ltd. v. The Asst. Provident Fund Commissioner***[4] and opined that unless this decision provided that the entries in the EPF Act were to be given the widest meaning, it was of no avail to the appellant.

[4] **(2009) 10 SCC 123**

13. Aggrieved by the aforesaid judgment, the appellant approached this Court by way of the present appeal.

14. Admittedly, the respondents are engaged in desiccating coconuts. Desiccation indisputably refers to the dehydrating of coconuts so that the moisture is removed and they are rendered dry.

15. Thus, we are only required to consider whether the activities of the respondent i.e., desiccating coconuts, would fall under Schedule I of the EPF Act.

16. Mr. Brijesh Kumar Tamber, the learned Counsel for appellants, submits that the learned Single Judge, despite considering the dictionary meaning of coconut, erroneously applied its common parlance meaningfor the purposes of EPF Act. It is argued that coconut is a fruit and Respondent No. 1 is engaged in fruit preservation. Reliance is placed on the definition of coconut in the Coconut Development Board Act, 1979, Black's Law Dictionary and Oxford Dictionary. It is contended that Respondent No. 1 squarely falls under Schedule I of the Act under *"(ix) any other unspecified item relating to the preservation or canning of fruits and vegetables."*

17. It is further contended that desiccation of coconut amounts to preservation since it extends the product's life. Further, thelearned Counsel vehemently stresses that the reliance on ***Bharuch (supra)*** by the learned Single Judge is erroneous,since the EPF Act cannot be construed strictly akin to a fiscal statute, as also held in ***A.V.***

Fernandez v. State of Kerala[5], but instead, purposive interpretation must be employed since it is a social welfare statute, as per ***Maharashtra State Co-operative Bank Ltd. (supra)***. Lastly, it is argued that Respondent No.1 was also dealing in coconut oil and coconut milk, which are separately included under Schedule I of the Act.

18. *Per contra*, Mr. Sanjay Gupta, on behalf of Respondent No.1, submits that the definition of coconut cannot be determined merely by the dictionary and must be understood from the perspective of a layman for the purposes of the EPF Act, as also followed in various decisions[6]. It is submitted that coconut is an oilseed and not a fruit or vegetable. By way of an example, it is argued that although cashew nut is a fruit in the dictionary sense, it is treated as a separate industry under Schedule I of the Act due to its use as a dry fruit; similarly, coconut is a separate industry which ought to have been mentioned separately. It is also submitted that desiccation does not amount to "preservation" under Schedule I.

19. The learned Counsel argues that the EPF Act does not apply to every industry and that one such exclusion is the coconut industry. It is stressed that the term "that is to say" in the relevant entry indicates an exhaustive list. It is submitted that the decision in ***Maharashtra State Co-operative Bank (supra)*** does not mandate the widest

[5]**1957 SCR 837 : AIR 1957 SC 657**

[6]Deputy Commissioner of Sales Tax (Law), Board of Revenue (Taxes), Ernakulam vs M/s G.S. Pai & Co., **(1980) 1 SCC 142**; State of West Bengal & Ors. vs Washi Ahmed & Ors., **(1977) 2 SCC 246**; Motipur Zamindary Co. (Private) Ltd. vs State of Bihar, **AIR 1962 SC 660**; Porritts& Spencer (Asia) Ltd. vs State of Haryana, **(1979) 1 SCC 82**; M/s Shiva Traders, Bhilai vs Divisional Dy. Commissioner of Commercial Tax, Durg, **2017 SCC OnLineChh 620**

possible interpretation of the Schedule I Entries, disregarding the common parlance meaning. Reliance is placed on ***Sri Ram Saha v. State of W.B.***[7] to contend that purposive interpretation only applies in cases of ambiguity and any alternate construction must be within the statute. It is argued that the clauses under the "fruit and vegetable preservation industry" Entry are starkly distinct and that the residual clause is to be read in accordance with the principle of *ejusdem generis.*

20. Having heard the learned Counsels for both parties, this Court is conscious that the scope in an LPA is correctional in nature and the appellate court would intervene only if the judgment rendered by the learned Single Judge suffers from any patent error.[8]

21. It is admitted by both parties that as per various authoritative dictionaries, coconut is a fruit. However, what remains contentious is whether this interpretation is to be adopted for the purposes of the EPF Act so as to include Respondent No. 1 within its ambit.

22. As per Black's Law Dictionary, 'fruit' is defined as "*the produce of a tree or plant which contains the seed or is used for food. The edible reproductive body of a seed plant. The effect or consequence of an act or operation*". According to Cambridge Dictionary, 'desiccate' is "*to remove the moisture from something so it becomes completely dry; to lose all moisture and become completely dry"* and 'preservation' refers to "*the act of keeping something the*

[7] **(2004) 11 SCC 497**

[8] *Baddula Lakshmaiah v. Sri Anjaneya Swami Temple*,**(1996) 3 SCC 52**; *Delhi Transport Corporation v. Shri Bahadur Singh*, 2026:DHC:1912-DB

same or of preventing it from being damaged". Additionally, we note that desiccated coconut comes within the ambit of 'coconut'[9].

23. It is no longer *res integra* that welfare legislations are to be construed liberally and an interpretation which escapes the protection of the statute is to be avoided[10].

24. Needless to say, the EPF Act is a social welfare legislation enacted to protect the interests of workmen in organized industries in the absence of any social security scheme in the country.[11] Additionally, the Supreme Court in ***Provident Fund Office v. Godavari Garments Ltd.***[12] held that the EPF Act is beneficial social welfare legislation and is to be interpreted for the benefit of workmen.

25. Further, in ***K.H. Nazar v. Mathew K. Jacob***[13], the Supreme Court held that while purposive construction is to be given to welfare legislations, the exclusionary provisions therein should be construed narrowly to give a wide import to the primary object of the legislation.

26. Since the learned Counsel has argued that the residuary clause (ix) must be construed by applying *ejusdem generis* we deem it relevant to note that *ejusdem generis* is a rule of construction whereby words in a statute, which may otherwise have a wide meaning, when used alongside more limited words, are interpreted narrowly to

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[9] *State of Karnataka v. Sri Lakshmi Coconut Industries*, **(1997) 11 SCC 621**
[10] *Kerala Fishermen's Welfare Fund Board* v. *Fancy Food*, (1995) 4 SCC 341; *Bombay Anand Bhavan Restaurant* v. *ESI Corpn.*, (2009) 9 SCC 61 : (2009) 2 SCC (L&S) 573 and *Union of India* v. *Prabhakaran Vijaya Kumar*, (2008) 9 SCC 527 : (2008) 3 SCC (Cri) 813; *Bharat Singh* v. *New Delhi Tuberculosis Centre*, (1986) 2 SCC 614 : 1986 SCC (L&S) 335; *Workmen* v. *American Express International Banking Corpn.*, (1985) 4 SCC 71 : 1985 SCC (L&S) 940
[11] *Shree Vishal Printers Ltd. v. Provident Fund Commr.*,**(2019) 9 SCC 508**
[12] **(2019) 8 SCC 149**
[13] Para 13, **(2020) 14 SCC 126**

include only matters of the same genus or class as the preceding words. These preceding words, which control and limit the meaning of the subsequent words, must represent a genus or a family which admits of a number of species or members. If there is only one species it cannot supply theidea of a genus.[14]This doctrine applies when (i) the statute contains an enumeration of specific words; (ii) the subjects of the enumeration constitute a class or category; (iii) that class or category is not exhausted by the enumeration; (iv) the general term follows the enumeration and (v) there is no indication of a different legislative intent.[15]

27. Adverting to the facts of the present case and in view of the foregoing legal position, we find that the relevant Entry under Schedule I of the EPF Act ought to be construed for the benefit of the workers and that strict interpretation, as required in respect of taxation statutes should not be adopted since it would dilute the protective ambit of beneficial legislations.

28. It is evident from the record that the learned Single Judge, without cogent justification,adopted the common parlance meaning of coconut for the purposes of the EPF Act, opining that in a market, "*no one will consider the brown coconut to be a vegetable or a fruit*". Further, the learned Single Judge, after noting the decision in ***Maharashtra State Co-operative Bank Ltd. (supra)***, erred in holding that in the absence of a clear mandate that the Entries were to be given widest possible interpretation irrespective of their ordinary meaning,

[14]*Siddeshwari Cotton Mills (P) Ltd. v. Union of India*, (1989) 2 SCC 458 : 1989 SCC (Tax) 297 : (1989) 75 STC 75 : 1989 SCC OnLine SC 62

[15]*Amar Chandra Chakraborty v. Collector of Excise, Govt. of Tripura*, (1972) 2 SCC 442 : 1972 SCC OnLine SC 281

coconut could not be considered as a fruit in ordinary sense and consequently, Respondent No. 1 did not fall under the Act. This interpretation, in our opinion, deprives the employees of Respondent No.1 from the benefit of the EPF Act and hence, warrants our interference.

29. As per authoritative dictionaries, coconut is a fruit. However, as per ***P.A. Thillai Chidambara Nadar (supra)*** and ***Bharuch (supra)***, in commercial use and in common parlance, it may not be treated as a fruit or vegetable. It is time and again reiterated that a judgment is to be considered along with its surrounding facts and circumstances, not as Euclid's theorem.[16] These decisions were rendered with respect to taxation where strict classification is necessary to determine tax liability, whereas in welfare statutes, the approach is to expand coverage and not restrict it. It is unclear to us as to how the threshold of common parlance is to apply to the EPF Act,a social welfare legislation, in a manner which would confine its ambit.

30. The EPF Act neither provides a definition for 'fruit' nor indicates that its understanding in common parlance, as opposed to the ordinary dictionary meaning, ought to be applied. In the absence of such indication, and the material on record not being sufficient to persuade this Court to adopt the alleged common parlance meaning over the dictionary meaning, this Court deems it appropriate to adopt the latter meaning to give the beneficial statute a wider import.

[16]C. Ronald v. UT, Andaman & Nicobar Islands, (2011) 12 SCC 428; *Bharat Petroleum Corpn. Ltd.* v. *N.R. Vairamani*, (2004) 8 SCC 579 : AIR 2004 SC 4778; *Rajbir Singh Dalal* v. *Chaudhari Devi Lal University*, (2008) 9 SCC 284 : (2008) 2 SCC (L&S) 887 : JT (2008) 8 SC 621;*HDFC Bank Ltd. v. Commissioner of Value Added Tax, Delhi*, 2023:DHC:8906-DB

31. The relevant Entry under Schedule I is titled "fruit and vegetable preservation industry", which focuses on the nature of the industrial activity i.e., *preservation* of fruits and vegetables, and not on the precise classification or definition of a particular item as a fruit or vegetable. This construction is further strengthened by the residuary clause "(ix)any other unspecified item relating to the preservation or canning of fruits and vegetables", which demonstrates the legislative intent to prevent restrictive interpretation which could exclude similar industries engaged in similar processes merely because the product is not expressly enumerated. Consequently, adopting a common parlance meaning would artificially limit the scope of the Schedule entry and undermine the object of the Act.

32. We reiterate that it is well settled for beneficial legislations that a purposive interpretation is to be adopted, and the EPF Act is to be construed for the benefit of employees thereunder. Any interpretation, which seeks to circumscribe the scope of such legislations is to be discarded. To say that the legislative intent, while inserting the Entry for fruit and vegetable preservation industry under Schedule I was to exclude coconuts, is an interpretation which aims to escape the legislation and is not in consonance with the purpose and the object of the Act. Additionally, while the coconut industry is not specifically stipulated, we note that it is also not explicitly proscribed.

33. Therefore, this Court does not see any obstacle in construing the dictionary meaning of 'coconut' and 'desiccate' for the purposes of EPF Act. It is also reiterated that 'coconut' also includes desiccated

coconut as per ***Sri Lakshmi Coconut Industries (supra)***. The desiccation of coconut increases its shelf life, which can be safely assumed to amount to 'preservation', as also duly appreciated by the Assistant Provident Fund Commissioner in his order dated 22.01.2001.

34. Thus, in our view, considering the object of the Act along with the extensive Entries under Schedule I andthe residuary clause (ix),we find that 'coconut' has to be construed as a fruit for the purposes of EPF Act. We deem it fit to reject the narrow common parlance meaning employed by the learned Single Judge as it confines the scope of the Act to the detriment of employees in light of the decision in ***Provident Fund Office (supra)***.

35. In view of the above discussion, we find that the learned Single Judge erred in relying on decisions rendered in the sphere of tax jurisprudence to import the common parlance meaning, thereby circumscribing the ambit of the EPF Act instead of interpreting it purposively as is required for a welfare statute.

36. The contention of Respondent No. 1 that cashew nut being a fruit, is stipulated separately under the Schedule, hence, coconut also ought to be mentioned separately, is of no avail in the light of the residuary clause (ix). As regards the contention that the coconut industry is excluded from the Act, in our view, there is no explicit exclusion or proscription in the Act to that effect; and even assuming *arguendo* that such exclusion should be implied,exclusionary provisions in welfare legislations are to be interpreted narrowly to

ensure that the object of the statute is broadly realised, as held in ***K.H. Nazar (supra)***. For the application of the rule of *ejusdem generis*, the existence of a genus is a pre-requisite as reiterated in ***Siddeshwari Cotton Mills (supra)***and ***Amar Chandra Chakraborty (supra)***. To buttress, the residuary clause uses the expression *"any other unspecified item"*, which aims to include within its ambit any fruit and vegetable relating to preservation or canning which is not specifically stipulated therein; hence, it can be safely assumed that the legislative intent is to provide a wide interpretation.

37. Lastly, the reliance placed on various decisions[17] to contend that common parlance meaning is to be adopted under the EPF Act is misplaced since these decisions pertain to tax jurisprudence and hence do not come to the rescue of the respondent in light of foregoing discussion.

38. For the afore-noted reasons, we are unable to sustain the impugned judgment of the learned Single Judge.

39. We accordingly hold that the industry in which the respondents are engaged is covered by the afore-extracted definition in Schedule I to the EPF Act.

40. We accordingly uphold the decision of the EPFAT and set aside the impugned judgment of the learned Single Judge. Consequences in law would follow.

[17] Deputy Commissioner of Sales Tax (supra); State of West Bengal (supra); Motipur Zamindary Co. (Private) Ltd. (supra); Porritts& Spencer (Asia) Ltd. (supra); M/s Shiva Traders, Bhilai(supra)

41. The appeal is accordingly allowed in the aforesaid terms with no orders as to costs.

OM PRAKASH SHUKLA, J.

C.HARI SHANKAR, J.

MARCH 12, 2026/