



For daily HR, IR, Legal, and Safety updates,  
join Shekhar Ganagaluru's **Be Great Learning Hub** WhatsApp Group.

<https://chat.whatsapp.com/Djpl7Fz5ZjwJJSxm5vexlo>



## 220. **Should trainees performing the same work and functions as regular employees be considered "employees" under the EPF Act?**

Yes, trainees performing the same work and functions as regular employees should be considered "employees" under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Below is a detailed analysis based on the provisions of Section 2(f) of the EPF Act, judicial interpretations, and the Kerala High Court judgment in the case of *The Employees' Provident Fund Organization v. M/s Malabar Cochin Arcade (P) Ltd., M/s Malabar Dazzle India Pvt. Ltd., and M/s Malabar Gold Private Ltd (2024: KER:76265)*.

### **Statutory Framework: Section 2(f) of the EPF Act**

The EPF Act defines "employee" as follows:

#### **1. Broad Definition:**

Any person employed for wages in any kind of work (manual or otherwise), directly or indirectly connected with the work of an establishment, and who gets wages directly or indirectly from the employer.

#### **2. Inclusion of Apprentices:**

Section 2(f) includes apprentices, except:

- Apprentices engaged under the Apprentices Act, 1961.
- Apprentices engaged under the certified standing orders of the establishment.

#### **3. Purpose of Exclusions:**

These exclusions are designed to exempt genuine trainees/apprentices involved in structured training programs, ensuring that they are not burdened with compliance intended for regular employees.

### **Judicial Analysis and Interpretation**

- Courts have consistently held that the actual nature of duties performed by an individual takes precedence over their designated title or label.
- In cases where individuals designated as "trainees" or "apprentices" perform the same work and functions as regular employees, courts have determined that they fall within the definition of "employee" under the EPF Act.

**Key Findings from the Kerala High Court Judgment in the case *The Employees' Provident Fund Organization v. M/s Malabar Cochin Arcade (P) Ltd., M/s Malabar Dazzle India Pvt. Ltd., and M/s Malabar Gold Private Ltd (2024: KER:76265)*. (2024: KER:76265)**

**Disclaimer: This document is for educational purposes only and does not constitute legal advice.**

**Shekhar Ganagaluru, MSW, LLB, Dip. T&D**

HR & IR Specialist | Published Author | Storyteller | Mentor | Trainer | Community Outreach Coordinator | Workplace Safety & Motivation Strategist  
[begreatseries@gmail.com](mailto:begreatseries@gmail.com) or follow on LinkedIn | Mobile: 96327 11228

### 1. Facts of the Case:

- In this case, the petitioners categorized certain individuals as "trainees" under their standing orders.
- However, the court found that many of these trainees were performing identical functions as regular employees, such as billing, customer handling, repairs, and cash handling.

### 2. Court's Observations:

- The designation of "trainee" was used as a pretence to avoid statutory obligations under the EPF Act.
- The stipends paid to trainees varied significantly, despite them performing regular work, further evidencing their status as de facto employees.
- The EPF authority was justified in piercing the corporate veil to assess the true nature of work performed by the trainees.

### 3. Ruling:

- If trainees perform work comparable to regular employees, they are employees under Section 2(f) of the EPF Act.
- Only trainees genuinely engaged in training under certified standing orders or the Apprentices Act, 1961 are excluded from the EPF Act's coverage.

## Key Legal Principles Governing the Determination

### 1. Nature of Work Performed:

If a trainee performs tasks that are essential, regular, or core to the establishment's operations, they cannot be excluded from the definition of "employee" simply because they are labelled as a "trainee."

### 2. Purpose of Trainee Exemption:

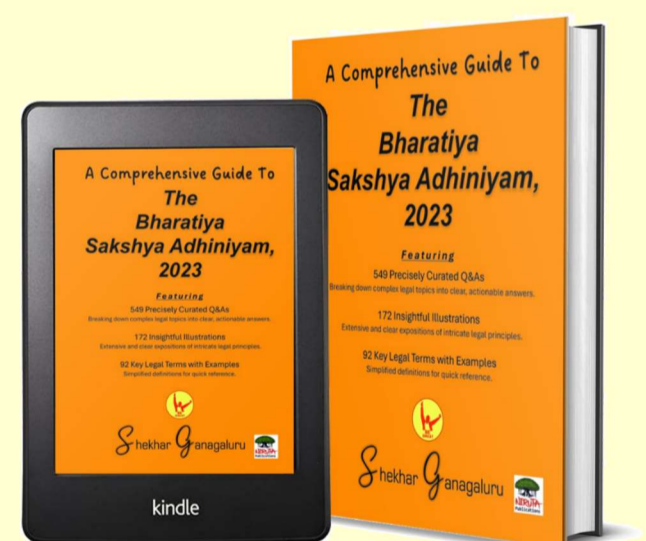
- The exemption for trainees under **certified standing orders** or the **Apprentices Act** is meant to protect genuine training programs that aim to skill individuals.
- If there is no meaningful distinction between the roles and responsibilities of a trainee and a regular employee, the exemption is misused.

### 3. EPF Act's Inclusionary Intent:

The EPF Act is a beneficial legislation intended to secure social security for employees. Hence, courts interpret it liberally to include workers within its ambit whenever possible, unless explicitly excluded.

### 4. Employer's Burden of Proof:

- It is the employer's responsibility to prove that individuals classified as trainees are genuinely undergoing structured training as per certified standing orders or the Apprentices Act.
- Mere reliance on standing orders is insufficient if the duties of trainees align with those of regular employees.



**Disclaimer: This document is for educational purposes only and does not constitute legal advice.**

**Shekhar Ganagaluru, MSW, LLB, Dip. T&D**

HR & IR Specialist | Published Author | Storyteller | Mentor | Trainer | Community Outreach Coordinator | Workplace Safety & Motivation Strategist  
[begreatseries@gmail.com](mailto:begreatseries@gmail.com) or Follow on LinkedIn | Mobile: 96327 11228