



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
WRIT PETITION NO. 334 OF 2026

Bharat Aviation Pvt. Ltd. and Anr.

...Petitioners

V/s.

Rahul Sudhindra Soni

...Respondent

Mr. Lancy D'souza with Ms. Deepika Agarwal i/b Mr. V. M. Parkar, for the Petitioners.

Mr. Shailesh S. Pathak for the Respondent.

CORAM: SANDEEP V. MARNE, J.

Reserved on: 23 APRIL 2026.

Pronounced on: 5 MAY 2026

Judgment:

1) The Petition involves an interesting issue as to whether the Industrial Court can direct the employer to issue relieving letter/service certificate to the employee who, after securing training, leaves the job before completion of the service agreed in the Bond executed by him with the employer.

2) Petitioner-employer is aggrieved by interlocutory order dated 13 January 2025 passed by the Member, Industrial Court, Mumbai on Application at Exhibit U-2 filed in Complaint (ULP) No. 450 of 2024 by which the Industrial Court has directed Petitioner to issue Relieving Letter / Service Certificate to the Respondent.

3) Respondent has executed a bond in favour of the Petitioner on 7 November 2022 for serving the Petitioner for a period of three years after securing training. However, the Respondent has left the employment of the Petitioner before completion of the bond period. On that account, Petitioner did not issue him Experience Certificate and Relieving Letter. The Respondent has filed Complaint (ULP) No. 450 of 2024 before Industrial Court, Mumbai for issuance of Relieving Letter as well as for payment of monetary dues and unpaid remuneration. In that Complaint, interim order is passed by the Industrial Court for issuance of Relieving Letter / Service Certificate, which interim order is the subject matter of challenge in the present Petition.

4) Petitioner No. 1 is private limited company engaged in the business of providing engineering services to various foreign airlines such as American Airlines, United Airlines, British Airways etc. Petitioner No. 2 is the director of Petitioner No. 1. Respondent was appointed in the service of the Petitioner with effect from 1 February 2019. According to the Petitioner, the Respondent agreed to undergo training on Boeing B777 aircraft to be conducted by its client-American Airlines for securing endorsement/authorization for his engineering license for becoming a qualified/certified engineer. The cost of the training was to be incurred by Petitioner's client-American Airline. On 7 November 2022, Respondent executed Agreement with the Petitioner for undergoing specialized training conducted by American Airlines during the period from 24, 25, 26 October 2022 and from 31 October to 4 November 2022. Under the Agreement, Petitioner had the option of requiring the Respondent to serve it for a period of 3 years upon completion of the

training. The Respondent had option of leaving employment by giving 60 days' notice, but subject to payment of liquidated damages of Rs. 10 lakhs. According to Petitioner, Respondent successfully completed the training imparted by American Airlines. According to the Petitioner, Respondent was contractually obliged to serve with the Petitioner from 7 November 2022 to 6 November 2025. However, Respondent submitted his resignation vide email dated 9 April 2024 without serving 60 days' notice and without paying liquidated damages of Rs. 10 lakhs. He stopped attending duties from 12 April 2024. Respondent started demanding for a relieving letter and service certificate, which was denied by the Petitioners.

5) Respondent therefore filed complaint of unfair labour practice being Complaint (ULP) No. 450 of 2024 under Section 28 of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 (**MRTU & PULP Act**) seeking direction against Petitioner for issuance of relieving letter acknowledging service period and excellent performance, respondent has also prayed for monetary dues and unpaid remuneration along with interest. In his Complaint, Respondent filed Application for interim relief under Exhibit U-2, which was opposed by the Petitioner by filing affidavit in reply. By impugned order dated 13 January 2025, the Industrial Court has allowed the Application at Exhibit U-2 by directing Petitioners to issue Relieving Letter and Service Certificate to the Respondent. Aggrieved by order dated 13 January 2025, the Petitioner has filed the present Petition.

6) I have heard Mr. D'souza, the learned counsel appearing for Petitioners, who submits that the Industrial Court has grossly erred in granting final relief at interim stage. That Respondent has breached the contractual covenants of the Agreement dated 7 November 2022, and that therefore, Petitioner cannot be forced to issue Relieving Letter or Service Certificate to him. That Petitioner is in fact entitled to recover amount of Rs. 10 lakhs towards liquidated damages as per the agreement. That Petitioner has several other engineers and employees who are trained by the Petitioner at its cost or at the cost of his client, and if the order of the Industrial Court is implemented, several of its engineers would indulge into similar acts and leave the employment after enriching themselves by receiving free training imparted by the Petitioner. That Petitioner has incurred expenses on training received by the Respondent. That training imparted by Petitioner would be utilized by Respondent for bettering his career prospects by causing losses to the Petitioner. Mr. D'souza relies on judgment of Division Bench of this Court in *Amrit Pal Singh V/s Pawan Hans Helicopters Ltd. and Anr.*¹ He submits that in *Vijaya Bank and Anr. V/s Prashant B Narnaware*², the Apex Court has enforced the bond even in case where no training is imparted to the employees. He would pray for setting aside the impugned order.

7) *Per contra*, Mr. Pathak, the learned counsel appearing for Respondent opposes the Petition submitting that the Industrial Court has rightly granted interim relief in favour of Respondent, which would

1 Writ Petition No. 2329 of 2006 decided on 17 November 2006

2. 2025 SCC OnLine SC 1107

enable him to earn his livelihood. That in absence of Relieving Letter / Service Certificate, Respondent is finding it difficult to secure alternate employment. That Respondent has fundamental right to earn livelihood. That Respondent can secure a job only in the aircraft related field and in absence of relieving letter and service certificate from the Petitioner, he is not being granted employment by other employers. That the bond was necessarily secured from the Respondent without imparting any substantial training. That the Respondent was forced to sign the bond. That the training was for extremely short duration and was imparted in-house and through online mode, involving no expenditure by the Petitioner. That the claim of incurring expenditure of training is false. That Respondent was transferred and posted at Delhi and was not deputed for training at Delhi. He relies on Model Standing Orders in support of his contention that the employer is duty bound to issue service certificate and relieving letter. That admission given by a counsel about non-applicability of standing order, which is contrary to legal position, does not bind the Respondent. He therefore prays for dismissal of the Petition.

8) Rival contentions urged on behalf of the parties now fall for my consideration.

9) The Petition challenges interlocutory order passed by the Industrial Court directing Petitioners to issue relieving letter and service certificate to the Respondent. The Compliant is still pending and the Industrial Court had granted interim relief in favour of the Respondent.

10) It is seen that the Industrial Court has observed that Respondent would not be in a position to secure another employment in absence of relieving letter and this factor has majorly weighed in the mind of learned Member while passing the impugned order. So far as execution of bond is concerned, the learned member has held that the Petitioner has every option of enforcing the bond for recovery of liquidated damages, but it cannot withhold issuance of relieving letter/service certificate on the ground of commission of breach of the bond by the Respondent.

11) There is no dispute to the position that the Respondent has breached the covenants of Agreement dated 7 November 2022, under which he agreed in clauses 2 and 4 as under:

2. the Company shall have the option to require the Employee to serve the Company for a period of Three years if the Employee successfully complete the said training. The Company shall be at liberty to terminate the said employment by giving the Employee 60 days' notice in writing any time during the said period of three years. During the period of employment, the Company, if the Employee wishes to leave the Company, he shall be required to give 60days notice in writing to the Company but subject to the provisions of liquidated damages as stipulated in clause 4. The Employee hereby covenants that if in the exercise of the option aforementioned the Company offers him employment and he uses the facilities to acquire skill and experience in the Company to obtain his license on the type of aircraft as aforesaid, he shall be bound to accept such offer and serve the Company for a period of Three years, it being however understood that the Company shall be under no obligation to make such an offer or otherwise employ the Employee.

4. If the Employee commits a breach of any of the covenants contained in clause 3 hereinbefore written, his training or post-training employment as the case may be with the Company shall stand terminated immediately without notice, and the Employee shall forthwith pay to the Company a sum of Rs. 10,00,000/- (Rupees Ten

Lacs only) which the parties hereto expressly agree shall be liquidated damages (pro-rata) which the Company shall without prejudice to its other rights including rights under clause 7 hereinafter written be entitled to receive in the event the Employee commits a breach of any of the covenants aforesaid and any amount or amounts which may then be payable to the Company by the Employee under the provision of clause 6(d) hereinafter appearing or otherwise. In the event, if the employee on breach of this clause the aforesaid fails to pay the liquidated damages the Company shall be at liberty to take civil/criminal action. The Company may approach the court for legal and punitive action for enforcement of this contract.

12) Contrary to contractual covenants for issuance of 60 days prior notice and payment of liquidated damages of Rs. 10 lakhs for leaving the employment before completion of service of three years, the Respondent tendered resignation on 9 April 2024 through email which read thus:

Please accept this letter as a formal notice of my resignation from my position as an Aircraft Maintenance Engineer at Bharat Aviation Pvt. Ltd. **I started working as an Aircraft Maintenance Technician at Bharat Aviation Pvt. Ltd. From July 2018 till December 2022. Later, the company gave me an opportunity to become an Aircraft Maintenance Engineer from December 2022 till date.**

If Company wants me to give notice period till this month end or probably for another month, I will be more than happy to work on a condition that company is going to pay my salary for the duration of my notice period.

Thank you for giving me the opportunity to work in this position for more than Five Years I have thoroughly enjoyed working here and appreciate all the opportunities you have given me. **However, I have decided it is time for me to move on to my next challenge.** My employment with Bharat Aviation Pvt. Ltd. Has been an opportunity to both learn and to contribute.

Thank you again for the opportunity and I wish you and the rest of our staff at Bharat Aviation all the best for the future.

(emphasis and underlining supplied)

13) The Respondent thus admitted the position that he initially worked as 'Aircraft Maintenance Technician' from July 2018 to December 2022 and later Petitioner gave him an opportunity to become 'Aircraft Maintenance Engineer' from December 2022. Thus, there is *prima facie* admission in the resignation email of the Respondent about securing position and certification as Aircraft maintenance Engineer owing to training imparted to him by the Petitioner.

14) It is Petitioners' case that, it has imparted training to the Respondent with the American Airlines. Petitioner claims that there is arrangement between it and American Airlines for imparting training to its staff. Respondent has not denied acquiring training from the Petitioner and has given following admissions in the Complaint:

So also, the alleged Online training for Type of Aircraft B777 with American Airlines was free of cost. **The only expenses that the Respondents may have incurred then was for the complainant onward journey to Delhi for the training and working at Delhi office / workshop and for partial reimbursement of his leave and license rental at Rs. 11,500/- per month, which too was reduced periodically within the Leave and License tenure of 11 months till the complainant returned to Mumbai in April 2024 or about. The reported online training period has been attended by complainant from 24th to 26th October 2022 and from 31st October to 4th November 2022.**

(emphasis and underlining supplied)

15) Thus, it *prima facie* appears that Respondent has secured training from the Petitioner and in lieu thereof, he promised to work with the Petitioner for a period of three years. Breach of the Agreement dated 7 November 2022 would undoubtedly create a cause of action for Petitioner to sue the Respondent for recovery of the amount of liquidated damages. The issue is whether Petitioner is justified in

withholding the Relieving Letter and Service Certificate. *Prima facie* I am of the view that Petitioner is justified in doing so. Filing a Suit for recovery of liquidated damages involves both expenditure as well as efforts. It is for the Petitioner to decide whether it wants to take such efforts and expenditure. However, merely because Petitioner is yet to file proceedings for recovery of liquidated damages, it cannot be inferred that Respondent is relieved of the contractual obligations under the Agreement dated 7 November 2022.

16) Courts have repeatedly enforced contractual obligations under the service bonds. In a case involving somewhat similar circumstances in ***Amrit Pal Singh*** (supra), the Petitioner therein, who was working as Helicopter Pilot, had tendered resignation by giving six months' notice. He had executed a bond for serving the company for the fixed term or to pay sum of Rs. 10 lakhs to the company. The company communicated to the Petitioner therein that as per clause 8 of the service bond, he could not join any other airline or air taxi operator during the bond period. The Petitioner challenged the said communication and sought setting aside the bond of indemnity. The Division Bench of this Court, however, held that the condition in clause 8 of Letter of Appointment requiring execution of bond was valid and directed the company to relieve the Petitioner therein on payment of sum of Rs. 10 lakhs. This Court held in paragraph 6 to 8 as under:

6. The question, therefore, that arises is whether the action of respondent No. 1 in refusing to accept letter of resignation of the petitioner has the authority of law and/or is illegal, null and void. The first question, therefore, that we are called upon to answer is whether respondent No.1 has any discretion to reject an application for resignation, if applicant like the petitioner herein, gives

notice of six months as required by respondent No.2 and is willing and or offer to pay the sum of Rs. 10 lacs which is the amount quantified as damages for not serving the period of contract. In the alternative, is it open to respondent No.1 to contend that apart from payment of sum of Rs.10 lacs an employee is not to serve company of the competitor during the contract period.

We have earlier reproduced the clause in the letter of appointment. From a conjoint reading of clauses (2) and (11), there can be no doubt that contractual period of employment is five years or on completing 60 years of age, whichever is earlier. On any of that event happening, the contract of employment comes to an end. Further, eventhough the contract period of employment is five years or until completion of sixty years whichever is earlier, it is still open to the employer under clause (11) to terminate the contract by giving two months notice or salary in lieu thereof. Similarly, in the case of employee such employee can resign by giving two months notice or salary in lieu thereof subject to completion of contractual obligation as laid down in the bond. It is, therefore, clear that it is open both to the employee and employer during the period of contract either to terminate the contract or to give resignation by following due procedure. The period of two months notice in case of an employee, in view of CAR issued by the respondent No. 2 requires six months notice to be given. Whether such clause is arbitrary or illegal is the subject matter for challenge before this Court. Suffice it to say that in Chairman & Managing Director, Indian Airlines V/s. Binod Kumar Sinha and Others (2001) 8 Supreme Court Cases 722, the Supreme Court has upheld the right in respondent No. 1 in issuing directions, provided that no taxi operator shall employ anyone already serving any of the national carrier, namely Air India, Indian Airlines, Vayudoot and Pawan Hans without obtaining a 'no objection certificate' from the employer with whom they are working. For the present, we are not really concerned with that issue as in terms of CAR issued by the respondent No.2, the petitioner herein has given notice of six months and has also offered to pay a sum of Rs.10 lacs in terms of the letter of appointment as also the clause in the bond.

Clause (8) of the letter of appointment also requires a bond to be entered into what provides for payment of Rs.10 lacs to the company and some other conditions before reporting for duty. In other words, in terms of the letter of appointment, if an employee accepts to work for the company by giving the bond, in the event he wishes to terminate his employment by way of resignation or otherwise then to pay Rs.10 lacs as damages to the company in lieu thereof.

We are clearly, therefore, of the opinion that an employee on completing the two requirements of (a) six months' notice and (b) paying to the employer a sum of Rs. 10 lacs as provided in letter of appointment as also in the bond, the respondent No. 1 has no authority to withhold the letter of resignation. The period of six months is required in order to enable respondent

No.1 to make alternate arrangements. The respondent No.2 in directing six months' notice has found the period of six months to be reasonable. This, of course, is subject to what this Court may hold in Writ Petition Nos.2964 of 2005 and 564 of 2006.

7. The other contention is that in terms of the bond the employee unless completes the bond period shall not take any employment/assignment with other Air lines/Air taxi operator and any other employer carrying on the same business or allied business by whatever name described. It is not necessary for us to answer the said issue presently, as the petitioner has neither joined other Air lines/Air taxi operator carrying on same business. The petitioner was engaged as Helicopter Pilot. Even otherwise such a clause, once resignation is accepted and the employee is called upon to pay damages would be difficult to sustain as it would be restriction on employment. This issue is, however, not being decided in the present case.

8. In the light of that on the petitioner paying a sum of Rs. 10 lacs, the respondent to relieve the petitioner forthwith from their service and to issue a letter accordingly not later than seven days from receipt of the sum of Rs. 10 lacs, as the petitioner has already met the requirement of six months' notice.

Though the issue before this Court was slightly different, viz. about the right of the employer to insist that the employee cannot join any other airline during the subsistence of contract period, even though the employee had complied the twin conditions of six months' notice and willingness to pay Rs. 10 lakhs. This Court however directed that the resignation would be accepted only upon payment of the sum of Rs. 10 lakhs.

17) Mr. D'souza has also relied on recent judgment of Apex Court in **Vijaya Bank** (supra), in which the Respondent therein had joined the appellant Bank as Probationary Assistant Manager and selected candidates were required to execute indemnity bond of Rs. 2 lakhs for not leaving service before completion of three years. The issue before the Apex Court was whether such condition in the employment contravened

provisions of Section 27 of the Indian Contract Act, 1872. In the case before the Apex Court, the Respondent therein, who was already working in Middle Management of the Bank, had applied for appointment as Senior Manager when the Notification contained following stipulation:

“Selected candidates are required to execute an indemnity bond of Rs. 2.00 Lakh (Rupees Two Lakh only) indemnifying that they will pay an amount of Rs. 2.00 lakh to the Bank if they leave the service before completion of 3 years”

He was selected and accepting the aforesaid condition, Respondent therein voluntarily resigned from his erstwhile post i.e. Manager, MMG-II and joined the post of Senior Manager, MMG-III on 28 September 2007. Respondent also executed an indemnity bond in terms of the aforesaid clause. Before completion of three years from his date of joining, Respondent tendered resignation for joining another Bank, namely, IDBI. His resignation was accepted and on 16 October 2009 Respondent under protest in terms of the aforesaid condition paid the sum of Rs. 2 lakhs to the Appellant-bank. He thereafter filed a writ petition before the High Court praying for quashing of clause 9 (w) of the recruitment notification and clause 11 (k) of the appointment letter alleging the same were in violation of Articles 14 and 19(1)(g) of the Constitution of India and Sections 23 and 27 of the Indian Contract Act, 1872. After considering various decisions on the issue, the Hon'ble Apex Court held in paragraph 24 to 27 and 35 as under:

24. Generally speaking, public policy relates to matters involving public good and public interest. What is 'just, fair and reasonable' in the eyes of society varies with time. Civilizational advancements, growth of knowledge and evolving standards of human rights and dignity alter the contours of public good and policy.

25. From the prism of employer-employee relationship, technological advancements impacting nature and character of work, re-skilling and preservation of scarce specialized workforce in a free market are emerging heads in the public policy domain which need to be factored when terms of an employment contract is tested on the anvil of public policy.

26. Since the last decade of 20th century, India witnessed an era of liberalization. Golden days of monopolistic public sector behemoths were gone. Public sector undertakings like the appellant-bank needed to compete with efficient private players operating in the same field. To survive in an atmosphere of deregulated free-market, public sector undertakings were required to review and reset policies which increased efficiency and rationalized administrative overheads. Ensuring retention of an efficient and experienced staff contributing to managerial skills was one of the tools inalienable to the interest of such undertakings including the appellant-bank.

27. **This prompted the appellant-bank to incorporate a minimum service tenure for employees, to reduce attrition and improve efficiency. Viewed from this perspective, the restrictive covenant prescribing a minimum term cannot be said to be unconscionable, unfair or unreasonable and thereby in contravention of public policy.**

35. In light of the aforesaid discussion, we are of the view the restrictive covenant in clause 11(k) of the appointment letter does not amount to restraint of trade nor is it opposed to public policy.

(Emphasis added)

18) Thus, in case of *Vijaya Bank* (supra) the Hon'ble Apex Court held the clause in the appointment order for compulsory service of three years to be enforceable even in absence of imparting of any training. In the present case, Respondent has admittedly received training from the Petitioner which has enabled him to secure position as Aircraft Maintenance Engineer. The contention of the Respondent that no amount is spent by the Petitioner does not appear to be correct. Apart from specific admissions given by the Respondent in the complaint, it is the case of the Petitioner that there is arrangement with client airline for

imparting of training. Therefore, whether the training expenditure is incurred by Petitioner itself or by its client airline is immaterial.

19) In the present case, Respondent has left the employment with the Petitioner for bettering his prospectus, which is clear from the contents of the resignation letter. He did not request for relieving letter or experience certificate in the resignation letter. This *prima facie* shows that the Respondent may already have another job offer or was confident of securing the one in absence of any relieving letter from the Petitioner.

20) The apprehension expressed by the Petitioner that the impugned order would encourage other trained engineers and staff to leave employment in breach of bond period does not appear to be without substance. Respondent has worked in a specialized sector and is insisting on relieving letter and experience certificate possibly for securing better terms with another employer in the aviation sector. He has upgraded himself from the position of Technician to that of an Engineer owing to the training given by the Petitioner's client airline. Respondent has acquired the specialized skills in respect of Boeing B777 aircraft and the training is acquired by him in respect of the specific aircraft at the expenses of the Petitioner. The condition of signing of Bond cannot be *prima facie* treated as unconstitutional or violative of provisions of the Indian Contract Act as held in **Vijaya Bank** (supra)

21) Respondent has taken the risk of leaving the services of the Petitioner before completing the mandatory period of three years. So far, Petitioner has not filed any suit/proceedings against Respondent for

recovery of liquidated damages. If Respondent is in a position to secure alternate job in absence of a relieving letter, he is free to join the same and Petitioner has not prevented him from doing so. However, he cannot insist that Petitioner must assist him in securing another job by issuing the certificate of excellent service or relieving letter when his resignation is in the teeth of Agreement dated 7 November 2022. Filing of suit for recovery of liquidated damages is ofcourse a remedy available to the employer and the Petitioner may or may not exercise that remedy which is expensive and time consuming. A trained employee, who has acted in breach of the contract, cannot insist that the employer must cooperate and assist him/her in securing employment with another employer. Respondent cannot upgrade himself from the position of 'Technician' to that of 'Engineer' specialized in respect of Boeing B777 aircraft on the strength of training given by the Petitioner and insist that the Petitioner must help him in securing new job with the rival employer. Such course of action would also introduce an unhealthy competition between the employers in the aviation sector, who would poach the trained Engineers of another employer instead of spending monies in training their own Technicians.

22) There is yet another angle from which the controversy can be viewed. Relieving letter can be issued only after the resignation is accepted. Petitioner has not accepted the resignation since the same is in breach of the Agreement. Resignation is the unilateral act of the Respondent. He has simply stopped attending the duties after sending the email dated 9 April 2024. Since the contractual stipulations in the Agreement are valid and enforceable, Petitioner is justified in not

accepting the resignation. The case thus does not involve a situation where the employer is unjustifiably not accepting the resignation. Issuance of relieving letter and service certificate is just a consequential act post acceptance of the resignation. When non-acceptance of resignation is justifiable, the employer cannot be forced to issue a relieving letter or experience certificate.

23) In my view, the Industrial Court has erred in granting interim relief in favour of the Respondent. Considering the peculiar facts and circumstances of the case, it would have been appropriate to await final decision of the Complaint rather than deciding the issue of relieving letter at interim stage. Though the Respondent has also included prayers for monetary reliefs in the Complaint, he did not raise the said issue in the resignation letter or in any other contemporaneous letter. Thus, the Complaint appears to have been filed mainly for the reason of securing a relieving letter with experience certificate.

24) The impugned order is thus unsustainable and is liable to be set aside. Petition accordingly succeeds and I proceed to pass the following order:

- (i) The impugned order dated 13 January 2025 passed by the Member, Industrial Court on Application at Exhibit U-2 in Complaint (ULP) No. 450 of 2024 is set aside.
- (ii) Since the Respondent has served with the Petitioner for about 50% of the bond period after acquiring the training, it would be open for the Respondent to offer a reasonable amount towards

liquidated damages for putting an end to the controversy. If the offer is made by the Respondent, the Petitioner shall consider the same and take a decision thereon keeping in mind the fact that the litigation is being fought essentially to deter the other employees from indulging in similar acts rather than recovering any amount from the Respondent.

- (iii) It is clarified that the findings recorded are *prima facie*. The Industrial Court shall proceed to decide the Complaint (ULP) No. 450 of 2024 by according due priority for its expeditious decision and shall make an endeavour to decide the same as expeditiously as possible, preferably within the period of six months. All rights and contentions of the parties are expressly kept open.

25) Writ Petition is **allowed** in above terms. There shall be no order as to costs.

[SANDEEP V. MARNE, J.]