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DELHI HIGH COURT ON APPRENTICES' DEMAND FOR REGULAIISING EMPLOYMENT

A. Introduction

Delhi High Court (**HC**), in *Shivang Tripathi* case,¹ relied on Section 22 of the Apprentices Act, 1961 (“**AA**”) and rejected plea of apprentices seeking regularisation of their employment. It held that the employer, National Insurance Co. Ltd. (“**NIC**”) is not obligated to absorb them as regular employees after completion of their terms of apprenticeship.

B. Brief Facts

1. Respondent-company NIC had advertised for recruitment of apprentices in 2018. It specified the period of apprenticeship as two years, extendable at NIC’s discretion. The selected candidates were required to furnish an apprenticeship bond undertaking liability if they left the services before completion of one year (“**Bond**”).
2. The Petitioner-apprentices (“**Apprentices**”) were appointed in 2019. The apprenticeship period was first extended to end-2021 and then till end-June 2022. However, the second extension letter explicitly stated that this was the final extension. The Apprentices, apprehending termination of their services, moved HC demanding that they be absorbed as regular employees.
3. The Apprentices contended that:
 - a. They were given implied assurance by NIC that they would be regularised on completion of apprenticeship.
 - b. This would attract Section 22(2) of the AA, which mandates that an employer is obligated to offer suitable employment to an apprentice on completion of the apprenticeship training. However, this applies only if such a condition exists in the contract of apprenticeship.
 - c. On appointment as apprentices, they were informed that NIC would consider them for regularisation subject to performance and that this condition casts a binding obligation on NIC.
 - d. They were asked to submit the Bonds, which was indicative of employment assurance and obligates it to regularise them.

¹ *Shivang Tripathi and Ors. vs. Union of India and Ors.* (03.06.2022 - DELHC) : MANU/DE/2046/2022.

- e. Their duties were similar to that performed by regular employees and they were made to believe that they would be absorbed on completion of apprenticeship.
4. NIC placed reliance on Section 22(1), which clearly envisages discretion on employers to formulate their own policy for recruitment of apprentices on completion of apprenticeship. It argued that it was under no obligation to regularise the Apprentices under the terms of their appointment letters or the advertisement.

C. Order and Reasoning

The HC:

1. Held that a perusal of Section 22(1) establishes that an “*employer the freedom to formulate its policy for recruitment of apprentices and therefore, there is generally no obligation on an employer to absorb the apprentices.*”²
2. Opined that the advertisement could not be considered as an assurance of regularisation to the Apprentices and NIC had no obligation under Section 22(2) to absorb the Apprentices as regular employees.
3. Observed that the Bond submitted by the Apprentices were binding only during the period of apprenticeship and did not cast any obligation on the Apprentices to work for NIC on offer of absorption.
4. On Section 22(2), it held: “*...I am not persuaded to accept the petitioners’ plea that they have a right to claim absorption in terms of section 22(2) of the Act. The said provision clearly envisages a mandatory condition in the apprenticeship contract, which binds the apprentice to serve the employer after completion of the apprenticeship training...*”³
5. On the alleged discrimination *vis-à-vis* previous regularisation of apprentices by NIC, it held: “*[I]t is not as if there is any bar in law, which would prevent an employer from absorbing any category of apprentices as it deems fit.*”⁴
6. Dismissed the Apprentices’ petition seeking regularisation of employment.

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² Para 11 of the Judgement.

³ Para 16 of the Judgement.

⁴ Para 19 of the Judgement.