



Kajol Pokekhriyal
Associate

GUJARAT HIGH COURT ON TERMINATION OF TRAINEE

A. Introduction

The Gujarat High Court (**HC**), in the case of *Barad Vajesing Rambhai*,¹ held that termination of a trainee on completion of an extended training period does not qualify as retrenchment under the Industrial Disputes Act, 1947 (the **Act**).

B. Brief Facts

1. The petitioner, Barad Vajesing Rambhai (**Rambhai**), was offered a trainee position at Gujarat Heavy Chemicals Limited (**GHCL**) for 2 years, vide a letter dated 10 October 1997.
2. By a letter dated November 3, 1999, GHCL extended Rambhai's training period up to May 3, 2000. Few weeks before the end of the extended training period, on April 26, 2000, GHCL terminated his services.
3. Rambhai sought redress before the Assistant Labour Commissioner, Junagadh (**ALC**). The ALC referred it to the Labour Court, Amreli (**LC**) to determine whether Rambhai was entitled for reinstatement and back wages.
4. To adjudicate the matter, the LC framed the following issues:
 - i. Whether Rambhai was covered under section 2(s) of the Act²?
 - ii. Whether he was relieved in accordance with the law and was the same justified?
 - iii. Whether he is entitled for reinstatement and back wages?
5. The LC, after hearing the parties, dismissed the reference based on the evidence placed before it. Aggrieved by this, Rambhai approached the HC.

C. HC's Judgment & Reasoning

The HC:

1. Held that the dismissal of the services of Rambhai was owing to non-continuation of the contract between the parties and hence, it was not 'retrenchment'.
2. Observed that: "...[A]dmittedly, [Rambhai's] services were discontinued after completion of training. He was not put on probation in a suitable grade against the existing vacancy. Further, there is no letter offering

¹ *Barad Vajesing Rambhai vs. Gujarat Heavy Chemicals Ltd.* (03.01.2023 – Guj HC): MANU/GJ/0130/2023 and available [here](#).

² Section 2(s) of the Act defines "workman".

and confirming his services with [GHCL] in writing."³

3. Noted that sections 25F,⁴ 25G,⁵ and 25H⁶ of the Act were not applicable since the training came to an end in accordance with the terms of the offer letter.

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³ Section 2(o)(bb) of the Act excludes the following under retrenchment:

- i. Voluntary retirement.
- ii. Superannuation, if the offer letter contains such a stipulation.
- iii. Termination due to non-renewal of the contract or of such contract being terminated under a stipulation in that behalf contained therein.
- iv. Termination of the services of a workman on the ground of continued ill health.

⁴ Conditions precedent to retrenchment of workmen.

⁵ Procedure for retrenchment.

⁶ Re-employment of retrenched workmen.