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WITHHOLDING RELIEVING LETTER FOR BREACH

The Bombay High Court (**HC**), in *Bharat Aviation* case¹ held on May 5, 2026, that an employer is not required to issue relieving letter or service certificate to an employee, who breaches a valid service bond after receiving specialized training. The HC further held that an employee who resigns in breach of contractual obligations cannot insist that the employer assist him in securing alternate employment.

Brief Facts

Rahul Sudhindra Soni (**Soni**) was employed with Bharat Aviation Pvt. Ltd. (**BAPL**) as an Aircraft Maintenance Technician. BAPL arranged specialized aircraft training for securing Soni's authorization for becoming a qualified engineer and it spent significant resources behind the same.

In November 2022, Soni executed a service bond under which he agreed to serve BAPL for three years after completion of the training. The bond further required Soni to provide 60 days' prior notice before resignation and pay liquidated damages (**LD**) of INR 10 lakhs in case of breach of this obligation.

In April 2024, before completion of the bond period, Soni resigned without serving the contractual notice period. BAPL did not accept his resignation and refused to issue him relieving letter or service certificate. Aggrieved, Soni complained before the Industrial Court (**IC**) under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971, seeking issuance of relieving letter/service certificate and payment of monetary dues. The IC directed BAPL to issue the relieving letter and service certificate. BAPL petitioned challenging the IC's interim order before the HC.

BAPL's Contentions

- That Soni had voluntarily executed the service bond after receiving specialized training and breached the contractual terms by resigning before completion of the mandatory service period.
- That BAPL had incurred significant cost in training Soni and was entitled to recover the INR 10 Lakhs as liquidated damages and was correct in not issuing relieving letter and service certificate to Soni as would encourage similarly situated employees to leave employment after obtaining expensive and specialized training.
- Therefore, IC had erroneously ordered for issuing the relieving letter to Soni.

¹ *BAPL Pvt. Ltd. & Anr. v. Soni Sudhindra Soni*, 2026 LiveLaw (Bom) 238

Soni's Contentions

- That the training imparted was brief, largely online and did not involve substantial expenditure by BAPL. Therefore, the claim of incurring expenditure is false.
- Non-issuance of relieving letter/service certificate prevented Soni from securing alternate employment and adversely affected his right to livelihood.
- Relied upon the Model Standing Orders to claim that BAPL was under an obligation to issue service certificate and relieving letter under the applicable laws.
- That the IC had correctly issued its order and BAPL could separately pursue remedies for recovery of damages under the bond and could not withhold relieving documents.

HC's Judgement & Reasoning

The HC:

- Observed that Soni had left employment for better opportunity as evident from his resignation letter, wherein he had not requested for relieving letter or experience certificate.²
- Reiterated that service bonds imposing minimum service obligations are enforceable and do not necessarily violate Section 27 of the Indian Contract Act, 1872.³
- Held that BAPL was justified in not issuing the relieving letter/service certificate when Soni had resigned in breach of the service bond without serving notice period or paying liquidated damages.⁴
- Observed that a relieving letter is ordinarily consequential to acceptance of resignation, and BAPL was justified in not accepting Soni's resignation in view of the contractual breach.⁵
- Noted that an employee who acquires specialized skills at the employer's expense cannot insist that the employer facilitate employment with a competing employer by issuing relieving and experience certificates.
- Set aside the IC's interim order directing issuance of relieving letter/service certificate.

This *Counselence Connect* contains information in a nutshell on a recent change in law.

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² Paragraph 19 of the Judgement.

³ Paragraph 20 of the Judgement.

⁴ Paragraph 21 of the Judgement.

⁵ Paragraph 22 of the Judgement.