

Supreme Court of India

Birla Vxl Ltd. vs State Of Punjab And Ors. on 24 April, 1998

Equivalent citations: AIR 1999 SC 561, JT 1998 (6) SC 626, 1999 LabLC 236, (1999) ILLJ 220 SC, (1998) 5 SCC 632

Bench: S Bharucha, V Khare

ORDER

1. Special leave granted.

2. On 16-4-1982, the third respondent was appointed as a Fitter on probation up to 30-9-1982, He was appointed, on 1-1-1983, as a Fitter on temporary basis for a period of two years, up to 31-12-1984. This appointment order stated:

"This is purely a temporary appointment for a period of two years up to 31-12-1984. During or at the expiry of this period if your work or conduct is not found satisfactory or your services are no longer required by the Company these would be terminated as per Clause 8 above."

The third respondent put his signature to the appointment order accepting the employment on the terms and conditions therein stated.

3. On 14-12-1984, the appellant wrote to the third respondent warning him of action for misconduct because he had been assembling and addressing workers inside the factory premises for trade union or political purposes. On 21-12-1984, the third respondent wrote to the appellant saying that he had been educating the workers on Hindu-Sikh unity during the lunch break and this did not amount to interference with the working of the factory. He also stated that he was a trade union leader and office-bearer. On 28-12-1984, the appellant wrote to the third respondent recording that he had been appointed on temporary basis for a period of two years ending 31-12-1984. The letter stated:

"The above temporary appointment ends on 31-12-1984 by efflux of time automatically and, therefore, you cease to be in service of factory thereafter. Although your ceasing to be in service does not constitute any action on our part, yet as abundant caution, the following dues are remitted to you by Bank Draft No. 284426 dated 28-12-1984 in full and final settlement of your account."

4. The third respondent sought a reference for adjudication under the Industrial Disputes Act, 1947 of the question:

"Whether termination of the services of a workman is justified and in order? If not, to what relief/exact amount of compensation is he entitled?"

The Labour Court decided the dispute in favour of the third respondent. The appellant thereupon moved the High Court of Punjab and Haryana in a writ petition. The writ petition was dismissed. The High Court found that it was true that there was a condition in the appointment order that the third respondent was appointed on temporary basis for a period of two years and that it was stipulated in the appointment order that if his work and conduct were not found satisfactory during

this period or his services were not required by the appellant the same would be terminated. There was, the High Court said, nothing wrong in specifying the duration of the appointment. The High Court went on to hold that the termination of the services of the third respondent was not a termination simpliciter in terms of his appointment order, but was retrenchment brought about as a punishment, inflicted without any enquiry into the alleged misconduct that he had been assembling workers and addressing them inside the factory premises.

5. The appeal by special leave is directed against the judgment and order of the High Court.

6. Learned counsel for the appellant drew our attention to the fact that the High Court had accepted that the appellant was entitled to terminate the employment of the third respondent if his services were not found satisfactory. The letter of termination simply said that the period of temporary appointment ended on 31-12-1984 by efflux of time whereafter the third respondent ceased to be in the appellant's service. There was no hint in that letter of any stigma cast upon the third respondent. Learned counsel for the third respondent drew our attention to the letter of 14-12-1983 and the third respondent's reply thereto. He also referred to the letter of termination. He submitted that the services of the third respondent had been terminated without an enquiry because of his trade union activities.

7. The real question is whether the third respondent had a claim to employment beyond 31-12-1984. Having regard to the clear terms of his appointment order, which he accepted by signing at the foot thereof, the appellant was entitled to bring his employment to an end at the conclusion of the period of temporary employment. The letter stating that the third respondent's services would come to an end on 31-12-1984 did not say that the services were being terminated because of any misconduct. There was no stigma whatever cast by that letter. The High Court was not, in the circumstances, warranted in concluding that the services had been terminated because of the third respondent's misconduct and upholding his reinstatement with full back wages.

8. In the result, the appeal is allowed. The impugned judgment and order of the High Court is set aside and the writ petition filed by the appellant before the High Court is made absolute.

9. No order as to costs.