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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 3542/2026
SUDHA NARULA

.....Petitioner

Through: Mr. Kumar Utkarsh and Mr. Manoj
Kumar, Advocates.

versus

LIC HOUSING FINANCE LTD.

.....Respondent

Through: *None.*

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

% **19.03.2026**

1. This petition assails the communications dated 24th May, 2019, 10th September, 2020 and 15th December, 2020 issued by the Respondent, whereby the Petitioner's resignation dated 04th November, 2016 has been treated as accepted with retrospective effect from the said date. The Petitioner contends that the said action is arbitrary and unsustainable in law, inasmuch as her resignation had been withdrawn *vide* representation dated 23rd January, 2019 prior to its acceptance, and therefore could not have been subsequently accepted by the Respondent.

Factual background

2. The Petitioner joined the Respondent Company as an "Assistant" on contractual basis on 14th February, 2007. Subsequently, by an appointment letter dated 07th May, 2012, she was appointed on regular basis subject to probation, and her services were confirmed by communication dated 30th January, 2013 with effect from 21st November, 2012. The Petitioner was thereafter promoted to the cadre of "Associate" on 28th April, 2016 and was posted at the Delhi Back Office.



3. On 04th November, 2016, the Petitioner submitted a resignation citing medical reasons. In the said communication, the Petitioner expressed inability to continue in service on account of medical reasons. The said communication reads as follows:

“Dear Sir/Madam,

Resignation from POSITION due to medical grounds

I am very sorry to be writing this letter to hand my resignation in due to medical reasons. As you are aware I have been having some medical problems over the past few months and it has left me now unable to continue working.

I am very sorry that it has to come to this and I enjoy working for LICHFL and have enjoyed my career to date Unfortunately I now need to face facts and pay more attention to my health and i am unable to do this whilst I am still working, I do hope that you understand the predicament that I am in.

Thank you again for glvmg me this opportunity and experiences, I have thoroughly enjoyed my time with LIC HOUSING FINANCE LTD.

Best wishes for the future.”

4. It is not in dispute that immediately upon submission of the aforesaid resignation, the Petitioner ceased to report for duty and did not discharge any functions thereafter.

5. On 15th May, 2018, the Respondent informed the Petitioner that her resignation could not be processed due to certain outstanding dues, including vehicle advance and Sodexho recovery, and called upon her to deposit the same. The said communication reads as follows:

“Consequent upon your resignation vide mail/letter dated 04.11.2016, the competent authority is not able to give your NOC for the following outstanding dues against your name.

1.Rs 40000/ Vehicle Advance taken on 22.07.2016.

2.Sodexo recovery Rs 1920(8/16)+Rs2810(9/16)+Rs890(10/16) = Total Rs 5620

You are advised to deposit it at LIC HFL counter on or before 20.05.2018.

We are extremely sorry to say that after several reminders and follow ups, you are not serious to deposit the outstanding dues.

If it is not deposited this time, will be viewed seriously by management and suitable action will be taken.”



6. The Petitioner, by reply dated 18th May, 2018, expressed inability to deposit the amounts and requested that the dues be adjusted against her provident fund. The said communication reads as follows:

“With reference to your letter dated 15.05.2018. I like to say that I am not aware of any o/s due of vehicle or Sodexho. I were have taken vehicle advance in 2016. The exact o/s is not known to me. My financial position at present doesn't support me to deposit the amount as demanded by you. I am badly engaged in medical issue.

Kindly adjust my all dues with my PF settlement amount and I submit of related form.

Thanking you,”

7. On 18th December, 2018, the Respondent directed the Petitioner to deposit the outstanding dues and specifically informed her that the notice period had not been waived and that the resignation could not be processed or considered by the competent authority until the said dues were cleared. The communication also indicated that the amounts could not be adjusted from provident fund settlement. The relevant extract reads as follows:

“Sir/Madam,

Please note that notice period has not been waived by the competent authority. You are advised to deposit entire recovery amount communicated to you as the same cannot be adjusted from PF settlement proceeds and no arrears are due to you as on date as communicated by corporate office. The matter will be considered by the competent authority only after deposit of entire amount by you for which it is once again advised to expedite the same.

With Regards,”

8. The Petitioner's case is that since her resignation had not been formally accepted, she was entitled to withdraw the same and accordingly, by communication dated 23rd January, 2019, she withdrew her resignation and requested permission to rejoin the service. The said communication



reads as follows:

“Respected Sir,

With due respect, I wish to inform you that I submitted my resignation from the post of Senior Associate while working in Delhi Back Office on 04.11.2016 due to personal reasons. Sir, my resignation is under your consideration and has not been accepted so far as I have not received any communication in this regard.

Sir, I wish to withdraw my resignation and request your good self to allow me to join the services of LIC Housing Finance Ltd. at Delhi Back Office. Sir, I have always been a very sincere and sensitive employee and have discharged my duties and all assignments allotted to me with utmost severity is diligence. There has been in occasion in my entire tenure of 10 year service to hear or face any annoyance or negative remarks comments about my work performance, may it be in Disbursement, Sanction, Servicing or Accounts Developments. My sincerity, severity and dedication in Job performance resulted in getting me the recognition by way of promotion to the cadre of Senior Associate at the very first available opportunities. Sir, I request your good self to allow me to withdraw my resignation and join the services of the LICHFL. I am not having any sort of personal or health problem. I will join the services of the company with full zeal and enthusiasm with no occasion of any grievance at all to the management. I shall feel obliged for this great kind of yours act.

Thanking you,”

9. The Respondent, by communication dated 22nd February, 2019, informed the Petitioner that her resignation had not been accepted by the competent authority on account of outstanding dues and that, in terms of the applicable Service Rules, a request for re-employment could be considered only after acceptance of resignation. The Respondent also specified the dues payable by the Petitioner. The Petitioner, by communication dated 25th March, 2019, expressed her inability to deposit the said amount and requested that her resignation be permitted to be withdrawn without insisting on such payment. The Respondent, by a further communication of the same date, reiterated that the resignation had not been accepted due to pending dues and that the matter would be proceeded with in accordance with the



applicable rules, including adjustment of dues from the Petitioner's provident fund in terms of her earlier consent.

10. By letter dated 24th May, 2019, the Respondent informed the Petitioner that her resignation had been accepted by the competent authority on 27th April, 2019 with effect from 04th November, 2016. The communication further indicated that the outstanding dues would be adjusted from her terminal benefits and that her request for re-employment was not acceded to. The relevant extract reads as follows:

"Madam,

Re: Your Relieving

Consequent upon your resignation vide your letter dated 16.11.2016 and 18.05.2018 and the acceptance of the same by the Competent Authority vide their letter ref RO-Delhi/HR/Resignation/2019 dated 27.04.2019. The resignation is accepted w.e.f. 04.11.2016.

Simultaneously outstanding recoverable amount will be adjusted from your terminal dues as per your consent letter dated 18.05.2018.

Further your request dated 23.01.2019 for reemployment is not considered by competent authority, the same was not in tune with the terms and conditions as stipulated in regulation 8 A (b) of Section II of LIC Housing Finance Ltd Service Terms, Conduct rules of 1990.

Please confirm that not any file or document of LIC HFL is lying under your custody.

We wish you happy and bright future.

Yours faithfully"

11. The Petitioner thereafter engaged in correspondence with the Respondent in relation to settlement of her terminal dues. While consenting to recovery of certain amounts from her provident fund and arrears, she clarified that such consent was limited to vehicle advance and Sodexho dues and sought reconsideration of her request for re-employment. The Respondent, in turn, communicated the details of proposed recoveries and, upon adjustment of outstanding amounts including notice pay and other dues, effected final settlement and issued payment of the balance amount to



the Petitioner.

12. The said correspondence continued through the year 2019. Subsequently, on 20th August, 2020, the Petitioner again addressed a representation to the Managing Director/Chief Executive Officer seeking re-employment, *inter alia* contending that her resignation had been withdrawn prior to its acceptance. The said request was rejected by the Respondent by communication dated 10th September, 2020.

13. Thereafter, on 17th October, 2020, the Petitioner issued a legal notice to the Respondent challenging the retrospective acceptance of her resignation and seeking re-employment. The Respondent, by reply dated 15th December, 2020, reiterated that the resignation had been accepted with effect from 04th November, 2016. The said communication, which is impugned in the present petition, reads as follows:

“Re: Re-Employment of Ms. Sudha Narula in LICHFL- Letter dtd. 17.10.2020 received on 2.11.2020”

This has reference to the above letter sent by you on behalf of Ms. Sudha Narula, Ex-Employee, ID 2151. In this connection our explanation are as under:-

It is to be stated that the employee joined the company on 21.05.2012 as Assistant and posted at Noida Area Office under Delhi Back Office. She was confirmed as Assistant on 20.11.2012. Later on she was transferred to Delhi BO, where she joined as Assistant on 29.06.2013. She was promoted as Associate and joined in new cadre on 28.04.2016 and was posted in Delhi Back Office.

The employee submitted her resignation vide her E-mail letter dt. 04.11.2016 due to medical problems. In her exit interview form, she had stated that she is leaving the job due to health problems. The employee last reported for duties on 13.08.2016 and did not report to the office thereafter. She even did not serve one month's notice as stipulated in clause 12 of LIC Housing Finance (Remuneration and certain other terms and conditions of service of employees) Rules 1990. As such an amount of Rs. 92794/- was to be recoverable from the employee towards one month notice period salary



+ GST, proportionate lumpsum medical recovery, proportionate recovery of Sodexo meal coupons, EOL and vehicle advance. Vide our E-mail dt. 07.02.2018 followed by letter dt. 15.05.2018, the employee was requested to deposit the above mentioned amount. In response vide her letter dt. 18.05.2018, she pleaded ignorance of any outstanding amount and stated that her financial position is not comfortable to deposit the amount as such her dues may be adjusted from PF settlement amount. Further vide her E-mail dt. 26.11.2018 she was again requested to clear all her dues (already communicated to her) but she neither deposited the amount nor responded to our communication.

In the meanwhile, the employee sent a letter dt. 23.01.2019 to GM (HR), corporate office Mumbai, vide which she wished to withdraw her resignation and requested for her reemployment in LICHFL.

Vide E-mail dt. 22.02.2019 she was again advised to deposit all the dues so that matter regarding approval of her resignation can be considered by the competent authority. This mail was followed by another mail dt. 20.3.2019 but she never responded to any of our communications, nor did she deposit the amount as asked for.

The matter regarding her resignation was put up before competent authority by the concerned Regional office with all facts and figures (along with her request for re-employment sent vide her letter dt.23.01.2019). The resignation of the employee was accepted by the competent authority w.e.f. 04.11.2016 subject to recovery of outstanding dues from her.

Further as regards her request dt.23.01.2019 for re-employment, it is to be stated that in terms of Regulation 8A(b) of section II of LIC Housing Finance Ltd., Service terms, Conduct Rules etc. 1990

(1) The request for Re-Employment shall be considered only of those persons whose resignation has been accepted by the Company under Clause 12 of LIC Housing Finance (Remuneration and certain other terms and condition of service of employees) Rules, 1990.

(2) The request for Re-employment should have been received by the company within one year from the date of resignation of the official/employee and such person should have completed five years of service in the company.

In the instant case the employee had tendered her resignation on 04.11.2016 and her service on that date was of 4½ years. As such she was not qualifying the condition stipulated in (2) mentioned above. Hence her request for reemployment was also rejected by the competent authority as per conditions 1 & 2 above.



A communication vide letter dt.22.07.2019 from Corporate office was sent whereby she was informed about the details of amount payable and recoverable from her along with a request to share her bank details. There was again no response to the above mail. In the absence of any communication from her end, Corporate office vide letter dated 23.08.2019 sent her a cheque bearing no.229466 dt.23.08.2019 for Rs. 71626/- drawn on Axis Bank along with detailed breakup of payment and receipts.

We have already informed her vide our communication dated 10.09.2020 that the Competent Authority has not found it possible to accede to her request of reemployment as she does not qualify any of the conditions stipulated for re-employment in the Company.

The decision of the Competent Authority on re-employment is final and binding in all aspects.

Thanking you,”

14. In this background, the Petitioner approached this Court by filing W.P.(C) 8235/2021, which was withdrawn with liberty to file a fresh petition with appropriate prayers. Thereafter, the Petitioner filed W.P.(C) 9856/2021, which also came to be withdrawn in 2025. The order of withdrawal does not record any reasons; however, it is stated on behalf of the Petitioner that the same was on account of lack of sufficient particulars in the petition. In the aforesaid factual background, the Petitioner has approached this Court by way of the present writ petition.

Submissions

15. The Petitioner contends that the impugned communications are arbitrary and unsustainable in law, inasmuch as her resignation dated 04th November, 2016 was not accepted till January-March, 2019, and was in fact expressly treated by the Respondent as “pending” on account of outstanding dues. It is submitted that resignation in service jurisprudence is in the nature of an offer which becomes effective only upon acceptance by the competent authority, and until such acceptance, the employee retains an unqualified



right to withdraw the same. The Petitioner, having withdrawn her resignation on 23rd January, 2019 prior to its acceptance, submits that no resignation survived in the eyes of law thereafter and the Respondent could not have proceeded to accept the same subsequently, much less with retrospective effect from 04th November, 2016.

16. It is further contended that the Respondent itself having treated the resignation as incomplete and incapable of processing due to pending dues and procedural requirements, could not have later accepted the same without compliance of the prescribed rules governing resignation. The retrospective acceptance of resignation, despite admitted non-acceptance for nearly three years, is stated to be arbitrary, contrary to the applicable service rules, and violative of Article 14 of the Constitution of India.

17. Reliance is placed on *Raj Kumar v. Union of India*,¹ *Union of India v. Gopal Chandra Mishra*,² *Balram Gupta v. Union of India*,³ *North Zone Cultural Centre v. Vedpathi Dinesh Kumar*⁴ and *Dr. Mrs. Suman V. Jain v. Maradi Sammelan*⁵ to contend that resignation becomes effective only upon acceptance and can be withdrawn prior thereto.

18. It is further urged that the Petitioner, having been treated as in service till 2019, is entitled to all consequential benefits for the intervening period, and that the Respondent's action in treating the resignation as effective from 2016 has resulted in denial of legitimate service and terminal benefits.

Analysis

19. The Court has considered the submissions advanced on behalf of the

¹ 1968 SCC OnLine SC 51

² (1978) 2 SCC 301

³ 1987 Supp SCC 228

⁴ (2003) 5 SCC 455



Petitioner. The issue that arises for consideration is whether, in the facts of the present case, the Petitioner could validly withdraw her resignation prior to its acceptance.

20. It is not in dispute that upon tendering her resignation on 04th November, 2016, the Petitioner ceased to report for duty. It is further noted that the last date on which the Petitioner reported for duty was 13th August, 2016. The resignation itself does not indicate any intention to continue in service during the notice period and clearly conveys an immediate severance of the employer-employee relationship. The Petitioner cannot derive any benefit from her own failure to comply with the requirement of serving the notice period.

21. More importantly, the Petitioner did not report for duty at any point thereafter, including during the period when she sought to withdraw her resignation. The correspondence exchanged between the parties shows that the engagement was confined to settlement of outstanding dues, with the Respondent repeatedly calling upon the Petitioner to clear the same. At no stage did the Petitioner seek regularisation of her absence.

22. It is true that the Respondent, in its communications, indicated that the resignation had not been formally accepted. However, the Petitioner's reliance on this aspect to contend that she retained an unqualified right to withdraw the resignation cannot be accepted. The delay in formal acceptance was occasioned solely on account of pending dues and not due to any subsisting employer-employee relationship.

23. The issue, therefore, is not one of a subsisting resignation awaiting acceptance, but whether the employer-employee relationship had, in fact,

⁵ (2024) 13 SCC 598



continued during the interregnum. The Petitioner, by ceasing to report for duty from the very date of resignation and not rendering any service thereafter, had already treated the relationship as terminated. The absence of formal acceptance during this period, occasioned by pending dues, does not alter the legal position that the relationship stood effectively severed by the Petitioner's own conduct. Mere non-acceptance of resignation, in such circumstances, cannot be construed as continuation of service.

24. The Petitioner has also placed reliance on certain authorities to contend that resignation, being in the nature of an offer, can be withdrawn at any time prior to its acceptance. There is no quarrel with the said proposition.

25. However, the said authorities are distinguishable on facts. In each of those cases, the resignation was either prospective in nature or the employee had continued in service during the interregnum, and the resignation had not been acted upon in a manner indicating a complete severance of the employer-employee relationship. In contrast, in the present case, the Petitioner's resignation was neither prospective nor conditional, but was accompanied by an immediate cessation of service, with the Petitioner ceasing to report for duty from the very date of its submission and not rendering any service thereafter.

26. Further, the delay in formal acceptance of resignation in the present case was not indicative of continuation of service, but was solely on account of the Petitioner's failure to clear outstanding dues despite repeated communications. The ratio of the aforesaid judgments, therefore, cannot be applied in the peculiar facts of the present case.

27. The Respondent, in its communication dated 15th December, 2020,



has rejected the Petitioner's request for re-employment by placing reliance on Regulation 8A(b) of Section II of the LIC Housing Finance Ltd. Service Terms and Conduct Rules, 1990. As per the said provision, a request for re-employment can be considered only in respect of those employees (i) whose resignation has been accepted by the Company, (ii) whose request is made within one year from the date of resignation, and (iii) who have completed the prescribed minimum period of service.

28. The Petitioner tendered her resignation on 04th November, 2016 and had admittedly not completed the requisite qualifying service at the relevant time. Further, her request for re-employment, made in January, 2019, was clearly beyond the stipulated period of one year from the date of resignation. The Petitioner, therefore, did not satisfy the essential conditions governing re-employment. The rejection of her request on this ground cannot, therefore, be said to be arbitrary or contrary to the applicable rules.

29. In these circumstances, the Petitioner, having voluntarily tendered her resignation and ceased to report for duty from the very date thereof, thereby clearly indicating her intention to sever the employer-employee relationship, cannot be permitted to revive the same merely on account of the delay in formal acceptance, which was occasioned by pending issues relating to settlement of dues. The subsequent acceptance only reinforced a position which had, in substance, already taken effect.

30. In view of the above, the petition is dismissed.

SANJEEV NARULA, J

MARCH 19, 2026/hc