



2025:KER:67382

WA NO. 904 OF 2022

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IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE AMIT RAWAL

&

THE HONOURABLE MR. JUSTICE K. V. JAYAKUMAR

TUESDAY, THE 12TH DAY OF AUGUST 2025 / 21ST SRAVANA, 1947

WA NO. 904 OF 2022

AGAINST THE JUDGMENT DATED 24.03.2022 IN WP(C)
NO.14509 OF 2020 OF HIGH COURT OF KERALA

APPELLANT/PETITIONER:

VIVEK V., EMPLOYEE CODE 70989
AGED 31 YEARS
ASSISTANT MANAGER (OUT OF EMPLOYMENT) LIC
HOUSING FINANCE LIMITED, MANNIL ARCADE, 2ND
FLOOR, PALAKKAD, KERALA - 678014, PERMANENTLY
RESIDING AT T.C. 9/2076/(2), F9, SRUTHI,
THAMARAKULAM LANE, SASTHAMANGALAM,
THIRUVANANTHAPURAM - 695010.

BY ADVS.
SHRI.K.M.GEORGE
KUM.CHITHRA P.GEORGE
SRI.MATHEWS P.GEORGE

RESPONDENTS/RESPONDENTS:

1 LIC HOUSING FINANCE LIMITED
REPRESENTED BY THE MANAGING DIRECTOR & CHIEF
EXECUTIVE OFFICER, MAKER TOWER -F, 13TH FLOOR,
CUFFE PARADE, MUMBAI, MAHARASHTRA - 400005.



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2

- 2 GENERAL MANAGER (HR, OS, ESTATES & IT)
LIC HOUSING FINANCE LTD, MAKER TOWER -F, 13TH
FLOOR, CUFFE PARADE, MUMBAI, MAHARASHTRA -
400005.
- 3 THE REGIONAL MANAGER.
LIC HOUSING FINANCE LTD, HARRINGTON CHAMBERS,
BLOCK C NO. 30/1A, ABDUL RAZACK I STREET,
SAIDAPET, CHENNAI, TAMIL NADU - 600015.
- 4 AREA MANAGER,
LIC HOUSING FINANCE LTD, PALAKKAD AREA OFFICE,
MANNIL ARCADE, 2ND FLOOR, PALAKKAD, KERALA -
678014.
- 5 LIFE INSURANCE CORPORATION OF INDIA
LIFE INSURANCE CORPORATION OF INDIA CENTRAL
OFFICE 'YOGAKSHEMA' JEEVAN BIMA MARG NARIMAN
POINT MUMBAI 400021 MAHARASHTRA (SOUGHT TO BE
IMPLEADED)

BY ADVS.
SHRI.R.S.KALKURA
SHRI.R.S.KALKURA, SC, KEXCON

THIS WRIT APPEAL HAVING BEEN HEARD ON 12.08.2025,
THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:



JUDGMENT

Amit Rawal, J.

The present writ appeal is directed against the judgment of the Single Bench whereby the writ petition of the appellant-petitioner challenging the termination order Ext.P6 and P9 dated 27.4.2020 and 30.6.2020 respectively, relieving the petitioner from the post of Assistant Manager of LIC Housing Finance Limited (LICHFL) and rejecting the representation for reinstatement, was dismissed on two grounds (a) that LICHFL is not a 'State' within the meaning of Article 12 of the Constitution of India and (b) that as per Rule 12 (f) of the LICHFL (Remuneration and certain other terms and conditions of Service of Employees) Rules, 1990, the resignation if submitted for a period of three months, can always be withdrawn before the expiry of three months.

2. Succinctly, the facts in brief, for adjudication of the controversy are enumerated as under:

The appellant-writ petitioner have been working as Assistant manager in LIC Housing Finance Limited (LICHFL)



and had on 27.1.2020 vide Ext.P3 submitted a resignation to the Manager of the branch on expiry of three months ie., on 27.4.2020.

3. The LICHFL accepted the resignation on 17.2.2020. However before the expiry of three months, on 26.4.2020, vide Ext.P5, appellant-petitioner submitted a request for withdrawal of resignation but the same was rejected vide Ext.P6 dated 27.4.2020 and Ext.P9 e-mail dated 30.6.2020. It is in that context, the writ petition was filed. As far as the withdrawal of the resignation is concerned, before the expiry of the period, is no longer res integra in view of the judgment of the Supreme Court in ***Padia Timber Company Private Limited v. Board of Trustees of Vishakhapatnam Port Trust through its Secretary (2021) 3 SCC 24*** wherein while rendering the provisions of Section 4 and 7 of the Contract Act, 1872 in paragraphs 52 to 60 held as follows:

52. In *U.P. Rajkiya Nirman Nigam Ltd. v. Indure Pvt. Ltd.* And Ors. (supra) this Court held that a contract by a Government Notification is not binding unless it is executed in accordance with its Articles of Association.

53. The High Court found that there was no dispute that tenders had been called for and that it was the case of the Respondent Port Trust that the offer of the Appellant



had in fact been accepted and purchase order issued on 31st October, 1990 under registered Post that had been acknowledged but refused by the Appellant. The High Court also recorded the contention of the Appellant that in the absence of previous approval from the Board of Trustees of the Respondent-Port Trust, under the proviso to Section 34(1) of the Major Port Trust Act 1963, there could be no enforceable contract. Even though the High Court referred to the submission of the Appellant that the letter of intent was subject to ratification by the Board and and the only witness of the Respondent-Port Trust had admitted that no contract had been concluded, the High Court did not deal with the same. The High Court observed:

“....The main reliance placed by the Visakhapatnam Port Trust under Clause 16 of the tender conditions in Ex.A.1, was that in the event of non-supply of the material, the Port Trust has right to cancel the contract itself whereas the case of the Company was that there was no contract at all. Therefore, one has to see whether there was really any concluded or enforceable contract before one could blame the other. There has been a quite re-assertion through the evidence on behalf of the Port Trust by P.W.1. There is a reference to a mention in Ex.A.8 as to the ratification by the Board, which according to the M/s Padia Timber Company Pvt. Ltd., nothing is forthcoming. Further, P.W.1 during his cross-examination, stated that it is true that the contract was not concluded. However, that itself cannot be a reflection on the nature of intent, which could follow the facts and circumstances in the documents, which are staring at. It is to be seen that even according to the M/s Padia Timber Company Pvt. Ltd., and as per its letter dated 27.11.1990 ex.A.10, the M/s Padia Timber Company Pvt., Ltd., admitted about the receipt of the letter dated 29.10.1990 and the acceptance of tender which is valid for three months. Therefore, having regard to the letter in Ex.A.10 mentioning about the acceptance of the tender on 29.10.1990, it is not open to the M/s Padia Timber Company Pvt. Ltd., to fall back and say that there was no acceptance at all nor there was any concluded contract. The Court below was rightly held that the tender of the defendant was duly



accepted on 29.10.1990 which was followed by the purchaser order on 31.10.1990 and that itself is more enough to show that there was concluded and enforceable contract. Thus, nothing lies in the mouth of the M/s Padia Timber Company Pvt. Ltd., to say that there was no concluded contract.

Further, having regard to facts and circumstances and admittedly there being no steps at all in terms of such acceptance, the breach squarely falls only on the M/s Padia Timber Company Pvt. Ltd. and therefore, the Visakhapatnam Port Trust has rightly forfeited the amount and the Court below was rightly held that the said plaintiff namely the Visakhapatnam Port Trust is entitled for the amounts as claimed. Following the same and consequently to the said findings which go to the very root of the case itself, the claim as made by the M/s Padia Timber Company Pvt. Ltd., for refund in the other suit also squarely falls to ground with the self-same reasons. Hence, we do not find any merits in these appeals..."

54. With the greatest of respect, the High Court has cursorily dealt with the contentions of the Appellant and has not even discussed the cases that had been cited on behalf of the Appellant.

55. The Trial Court relied on [Section 4](#) of the Contract Act, but completely overlooked [Section 7](#). [Section 7](#) of the Indian Contract Act, 1872 is set out hereinbelow for convenience:-

"7. Acceptance must be absolute.—In order to convert a proposal into a promise the acceptance must— —In order to convert a proposal into a promise the acceptance must—"

(1) be absolute and unqualified;

(2) be expressed in some usual and reasonable manner, unless the proposal prescribes the manner in which it is to be accepted.

If the proposal prescribes a manner in which it is to be accepted, and the acceptance is not made in such



manner, the proposer may, within a reasonable time after the acceptance is communicated to him, insist that his proposal shall be accepted in the prescribed manner, and not otherwise; but, if he fails to do so, he accepts the acceptance."

56. It is a cardinal principle of the law of contract that the offer and acceptance of an offer must be absolute. It can give no room for doubt. The offer and acceptance must be based or founded on three components, that is, certainty, commitment and communication. However, when the acceptor puts in a new condition while accepting the contract already signed by the proposer, the contract is not complete until the proposer accepts that condition, as held by this Court in [Haridwar Singh v. Bagun Sumbrui and Ors.](#) 15 An acceptance with a variation is no acceptance. It is, in effect and substance, simply a counter proposal which must be accepted fully by the original proposer, before a contract is made.

57. In [Union of India v. Bhim Sen Walaiti Ram](#) 16, a three-Judge Bench of this Court held that acceptance of an offer may be either absolute or conditional. If the acceptance is conditional, offer can be withdrawn at any moment until absolute acceptance has taken place.

58. In [Jawahar Lal Burman v. Union of India](#) (supra), referred to by the High Court, this Court held that under [Section 7](#) of the Contract Act acceptance of the offer must be absolute and unqualified and it cannot be conditional. However, in the facts and circumstances of that case, on a reading of the letter of acceptance as a whole, the Appellant's argument that the letter was intended to make a substantial variation in the contract, by making the deposit of security a condition precedent instead of a condition 15 AIR 1972 SC 1242 16 (1969) 3 SCC 146 subsequent, was not accepted.

59. The High Court also overlooked [Section 7](#) of the Contract Act. Both the Trial Court and the High Court over-looked the main point that, in the response to the tender floated by the Respondent-Port Trust, the Appellant had submitted its offer conditionally subject to inspection being held at the Depot of the Appellant. This



condition was not accepted by the Respondent-Port Trust unconditionally. The Respondent-Port Trust agreed to inspection at the Depot of the Appellant, but imposed a further condition that the goods would be finally inspected at the showroom of the Respondent-Port Trust. This Condition was not accepted by the Appellant. It could not, therefore, be said that there was a concluded contract. There being no concluded contract, there could be no question of any breach on the part of the Appellant or of damages or any risk purchase at the cost of the Appellant. The earnest deposit of the Appellant is liable to be refunded.

60. Since we hold that the Appellant was neither in breach nor liable to damages, it is not necessary for us to examine the questions of whether the compensation and/or damages claimed by the Respondent Port Trust was reasonable or excessive, whether claim for damages could only be maintained subject to proof of the actual damages suffered, and whether the Respondent Port Trust had taken steps to mitigate losses. We also need not embark upon the academic exercise of deciding whether prior approval of the Board of Trustees is a condition precedent for creation of a valid contract for supply of goods, or whether post facto ratification by the Board would suffice.

4. The stand of the respondent in response to the notice of the aforementioned writ petition is that the writ petition is not maintainable as LICHFL is not 'State' falling within the provisions of Article 12 of the Constitution of India, therefore the writ petition would not lie and secondly, the withdrawal of the resignation was submitted on 26.4.2020, at 11.11 p.m to the Regional Manager whereas the competent



authority was the Chief Executive Officer of the LICHFL. Even the resignation was submitted at 11.11 pm on 26.4.2020 but no such intimation was received on 27.4.2020.

5. On the contrary, in rejoinder, it was asserted that 26.4.2020 was Sunday, therefore the period of three months would expire not on 26.4.2020 but 27.4.2020; despite that the order of termination was passed.

6. The following two questions arise for adjudication in the present matter:

- 1) Whether the writ petition is maintainable, LICHFL being amenable to the provisions of Article 12 of the Constitution of India
- 2) Whether the withdrawal of resignation was accepted within a period of three months and therefore the acceptance of the same before the expiry of three months ie., on 27.4.2020 was legal and justified in law.

7. To address the issue of maintainability, reference may be made to the judgment of the learned Single Judge, wherein the objection raised by LICHFL was noticed. Relying on various precedents, it was contended that a banking



company, whether in the private or public sector, engaged in handling money and complying with statutory requirements, would not fall within the ambit of 'State' under Article 12 of the Constitution of India much less LIC does not have any deep and pervasive control over the functioning of the LICHFL despite that the LICHFL was carrying out the public function by implementing various Government welfare schemes associated with various governmental and public functions.

8. Petitioner-appellant had also in support of the contentions relied upon certain provisions of the Rules but submitted that in paragraph 11, the learned Single Bench did not refer to the contents of the documents Exts. P10 to P15(A). It is in that ground, according to submissions of the counsel for the appellant, there is an abdication in deciding the issue of maintainability of the writ petition against the appellant-petitioner.

9. We have been taken to the Articles of Association of LICHFL, though it is a Company established under the Companies Act but against the column of promoter, it has been specified as the promoter shall mean 'Life Insurance



Corporation of India' and similarly, under column A of the Articles of Association 'Life Insurance Company' has been referred to as a statutory corporation established by and under the life Insurance Corporation Act, 1956. It is a matter of record that the life Insurance Corporation is established under the Act and as per the statement of objects and reasons all contracts/assurance executed by the Corporation would be guaranteed by the Central Government. It has been set up with the share capital provided entirely by the Central Government.

10. Further question which arises is whether the LIC having the promoter would constitute the LICHFL to be State or not, for that we have been taken to Annexure -1, *Holding of specified securities*, filed with the Registrar of Companies whereas the Life Insurance Corporation has a holding in LICHFL to the extent of 45.24%, almost close to less than 50%. Once the LIC is established under the Act with the full share capital of Central Government, in our considered view, the LICHFL would be also falling within the realm of Article 12 of the Constitution of India. Even Section 6(h) and (i) of



Life Insurance Corporation Act, 1956 empowers the Corporation to carry on any other business which may deem that the Corporation to be capable of being conveniently carried on in connection with its business and calculated directly or indirectly to render profitable the business of the Corporation or to do all such things as may be incidental or conducive to the proper exercise of any of the powers of the Corporation.

11. Considering the shareholding of the Life Insurance Corporation, we are of the view that the finding of the learned Single Judge, holding LIC not to be a 'State', reflects a complete misappreciation of law and suffers from erroneous reasoning, inasmuch as the judgments relied upon pertained to banking institutions without adverting to the Articles and Memorandum of Association. Moreover, the aforementioned provisions of the LICHFL much less the share holding have also not been referred to in the impugned judgment. In this view of the matter, we overrule the objection raised by the respondent, i.e., LICHFL, that it does not fall within the definition of 'State'. Thus whole, it is a



State.

12. Coming to the merit of the matter, concededly, the appellant-petitioner had submitted a resignation letter on 27.1.2020 Vide Ext.P3. The contents of the letter reads thus:

Please accept this letter as formal notification that I am resigning from my position as Assistant Manager with LIC Housekeeping Finance Ltd. My last day of work will be April 27, 2020.

I would like to take this opportunity to thank everyone at LIC Housing Finance and I wish all of you continued success in all your endeavours.

13. It is a matter of record that the resignation was withdrawn vide communication dated 26.04.2020, which being a Sunday, the period of three months would expire on 27.04.2020. The period of three months is prescribed under Rule 12(a) of the LICHFL (Remuneration and Certain Other Terms and Conditions of Service of Employees) Rules, 1990, whereas Rule 12(f) pertains specifically to resignation. The same are reproduced herein below:

12. Resignation/Termination:

a. An employee desirous of leaving service shall give notice in writing to the competent authority of his intention to leave or discontinue the service. The period of such notice shall be three months if he belongs to Level 5 & above and one month in other



cases. The employee shall not absent himself from duty until expiry of such notice period failing which he/she will be liable for disciplinary action including treatment of such absence as abandonment of post. However, such notice may be waived in part or in full by the Competent Authority at its discretion.

xxx

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(f) In case of Resignation, an employee who has elected to resign under this rule and has given necessary notice to that effect to the appointing authority shall be allowed to withdraw his/her notice with the specific approval of appointing authority, provided that the request for such withdrawal shall be made on or before the expiry of the notice period."

14. On a conjoint reading of Rule 12(a) and Rule 12(f), it is evident that whenever an employee intends to resign, the resignation remains valid for a period of three months. In such circumstances, as per the ratio decidendi culled out in ***Padia Timber Company Private Limited***, the resignation can be withdrawn during the subsistence of the resignation letter, which was valid up to 26.4.2020, Sunday so, 27.4.2020. The withdrawal was made on 26.04.2020. It has not been explained how, and in what manner, the respondent-LICHFL accepted the resignation prior to the expiry of the three-month period. Thus, it is a wholly premature act, unknown and



contrary to the provisions of any law or rule.

15. Accordingly, we set aside the orders Exts. P6 and P9 and consequently, judgment under challenge and direct LIC to treat the petitioner to the rolls of LICHFL and to pay all consequential benefits to which he is entitled in accordance with law. Let this exercise be undertaken within a period of two months from the date of receipt of a certified copy of this judgment.

Sd/-
AMIT RAWAL
JUDGE

sab

Sd/-
K. V. JAYAKUMAR
JUDGE



2025:KER:67382

WA NO. 904 OF 2022

APPENDIX OF WA 904/2022

PETITIONER ANNEXURES

Annexure A1	TRUE COPY OF 'THE DISCLOSURE UNDER REGULATION 30 OUTCOME OF BOARD MEETING HELD ON MAY 15,2024
Annexure A2	TRUE COPY OF THE RELEVANT PAGES OF 35TH ANNUAL REPORT OF THE 1ST RESPONDENT DATED 30.08.2024
Annexure A3	TRUE COPY OF THE RELEVANT PAGE OF APPELLANT'S EPFO PASSBOOK ACCESSED ON 20.10.2024

RESPONDENT ANNEXURES

Annexure R1(a)	The list pertaining to the various associate companies of the 1st respondent which includes the 1st respondent
Annexure R1(b)	True copy of the LIC Housing Finance Ltd. (Remuneration and Certain Other Terms and Conditions of Service of Employees) Rules 1990
Annexure R1(c)	True copy of the Employees Provident Fund Organisation, Frequently Asked Questions appearing in their website

PETITIONER ANNEXURES

Annexure A4	TRUE COPY OF THE DOCUMENT TITLED 'THE REMUNERATION POLICY OF THE LICHFL' FROM THEIR WEBSITE HTTPS://WWW.LICHOUSING.COM/STATIC-ASSETS/PDF/REMUNERATION-POLICY.PDF?CRAFTERSITE=LICHFL-CORPORATE-WEBSITE-CMS&EMBEDDED=TRUE ACCESSED ON 31/03/2025 AT 6:33P.M
Annexure A5	TRUE COPY OF THE RELEVANT PAGE NO.6 OF THE 'LIC WAGE REVISION AMENDMENT RULES' GAZETTE NOTIFICATION DATED 14.01.2016
Annexure A5(a)	TRUE COPY OF THE RELEVANT PAGES OF THE 'LICHFL SERVICE TERMS, CONDUCT RULES ETC.1990 (AMENDED UP TO 28TH JULY 2017)
Annexure A6	TRUE COPY OF TABLE SHOWING COMPARISON OF THE PAY REVISION OF THE EMPLOYEES OF LIC AND LICHFL