

# SC allows time for resignation rethink

## Quit Letter Can Be Withdrawn Before End Of Service Relationship

By Dhananjay Mahapatra/TNN

New Delhi: An employee tenders his resignation and it is accepted the very same day by the company. But the company fixes a later date for his discharge from service. During the intervening period of resignation and final settlement, the employee has a change of heart and withdraws his resignation. Would such a change of mind entitle him to continue in service?

A single judge and, later, a division bench of the Karnataka high court did not think so. Wrong, says the supreme court which orders the employee to be treated as continuing in service.

At first sight, the apex court judgment

looks innocuous. But it gives rise to a question—whether an employee, who anytime during the notice period has a change of mind, can withdraw the resignation and seek continuance of service with the company? Does this also mean that a company, to ensure that a resignation was not withdrawn, would necessarily have to pay all dues of the employee on the very date it accepts the resignation?

The answers to these could be found in the October 7 judgment of a bench of Justices B N Srikrishna and C K Thakker in the case pertaining to Srikantha S M vs Bharat Earth Movers Ltd (BEML).

Srikantha joined BEML in 1969 as senior manager in the department of security and

vigilance. He was transferred on December 8, 1992, to the corporate office in Bangalore and was relieved of duty a day later. He reported for duty in Bangalore on December 7 but was not assigned any work.

Upset over this, he tendered his resignation on January 4, 1993. In his resignation letter, he even thanked his employer for giving an opportunity to serve in the "esteemed" organisation and requested to be relieved from duties "as per company rules".

His resignation was accepted on January 4 "with immediate effect" but he was informed that he had been sanctioned casual leave till January 13 and that he would be paid all his dues on January 15. On January 8, Srikantha changed his mind and withdrew his resignation letter.

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## Company didn't consider his explanation letter

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He made several grievances against the company and stated that if he did not receive a suitable reply by January 14, his resignation should be treated as withdrawn or cancelled. The company did not pay heed to it, relieved him and paid him his dues on January 15.

After getting an adverse verdict from the Karnataka high court, he moved the apex court, which ordered BEML to treat him as employee till his superannuation on December 31, 1994, and give him all benefits, including arrears of salary.

Justice Thakker, writing

the judgment for the Bench, said though BEML had accepted Srikantha's resignation on January 4, he was granted leave till January 13. "Therefore, in our considered opinion, the relationship of employer and employee did not come to an end on January 4 and continued till January 15 when he was paid his dues," the judge said.

As per the settled law, the employee could withdraw his resignation before the end of his service relationship with the employer, the apex court said and added: "It was, therefore, incumbent on the employee to give effect to the letter withdrawing the resignation."