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

+ **Date of Decision: 13.04.2026**

% **LPA 193/2026 & CM APPL. 21174/2026**

NARENDRA SINGH

.....Appellant

Through: Mr. Yashvardhan Singh, Adv. with
Mr.Jamnesh Kumar and Ms.Deepthi
Ahuja, Adv.

versus

THE CHAIRMAN, THE NEW INDIA ASSURANCE CO. LTD. &
ORS.Respondents

Through: Mr. Aditya Kumar, Adv. with Ms.Ila
Nath, Adv

CORAM:

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE ANISH DAYAL

CM APPL. 21174/2026 (for exemption)

1. Allowed, subject to all just exceptions.
2. The application stands disposed of.

LPA 193/2026 & CM APPL. 21173/2026

3. Heard the learned counsel for the parties.
4. This *intra-court* appeal takes exception to the judgment and order dated 09.02.2026 passed by learned Single Judge, whereby *W.P.(C) 1822/2026* instituted by the appellant, has been dismissed.



We may note that by filing *W.P.(C) 1822/2026*, the appellant had challenged the notice of termination of services dated 09.09.2024 and the subsequent communication dated 12.08.2025, whereby it was directed that the appellant's services shall stand terminated with immediate effect.

5. The appellant was appointed on the post of the Development Officer Grade-II with the respondents on 09.08.1998. The appointment of the appellant was made under the provisions of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976 (hereinafter referred to as the “**Scheme**”), which is framed under Section 16 (1)(g) of the General Insurance Business (Nationalisation) Act, 1972. The Scheme is, thus, statutory in nature.

6. On 20.01.1999, the services of the appellant were confirmed. Thereafter, he was promoted to the next higher post of Development Officer Grade-I on 01.04.2002. It appears that in the month of March, 2010, the appellant fell ill and could not achieve the target for the year 2010-11, which resulted in reduction of his pay under the aforesaid Scheme.

7. It may be noted that under the Scheme, the Development Officer employed by the respondents is governed by certain “cost control” measures in terms of Clause-11 of the said Scheme. According to which, every Development Officer is required to work with such cost as to maintain his cost ratio within the level stipulated in the Scheme itself. The Scheme further provides that in a situation, where in respect of a Development Officer of the respondents, the cost ratio exceeds the stipulated limits, then the same results in certain consequences such as reduction of non-core allowances payable to such an officer. If cost ratio exceeds the stipulated



limited for the second performance year in succession the Development Officer may be issued a letter of warning and his non-core allowances may be continued to be reduced in the following year as well. As per the Scheme, if the cost ratio in respect of a Development Officer exceeds the stipulated limit for the third or the subsequent years in succession, the non-core allowances payable shall be reduced and decrements can also be effected as per the stipulation made in the Scheme.

8. The Scheme further provides that, in case a Development Officer continues to be beyond stipulated cost limits even after bringing down his basic pay to the minimum and is provided an opportunity of one year, the services are liable to be terminated if he still continues to exceed the stipulated cost limits.

9. Clause 11(6) of the Scheme provides that in such a situation, services of the Development Officer shall be terminated by an officer not below the rank of Assistant General Manager, after giving him a notice of 30 days. It further stipulates that the services of the Development Officer concerned shall be terminated unless he is given an opportunity to appeal to the Appellate Committee within 30 days from the date of serving of notice of termination. It further stipulates that on consideration of the appeal, if the Appellate Committee confirms that services of the concerned Development Officer are liable for termination, his services shall accordingly be terminated. Clause 11(6) of the Scheme is extracted herein below:-

“11 (6). If the Development Officer continues to be beyond stipulated cost limits even after bringing down his basic pay to the minimum of the scale of Development Officer Grade II and providing him an opportunity of one year under sub-paragraph (5), his service shall be terminated by an officer



not below the rank of Assistant General Manager, after giving him a notice of 30 days:

Provided that service of Development Officer shall be terminated unless he is given an opportunity to appeal to the appeals committee constituted for the purpose under sub-paragraph (7) within the period of 30 days from the date of serving a notice of termination and unless the said appeals committee considers the said appeal and confirms that the services of the concerned Development Officer are liable for termination:

Provided further that the services of the concerned Development Officer shall not be terminated, if the appeals committee after considering his appeal decides that certain relief should be provided to him.”

10. Clause 11 (8) of the Scheme provides that any Development Officer whose services are liable to be terminated may make a request to be appointed as clerical staff on such terms as may be decided by the Chairman of the respondent – Corporation, provided such a Development Officer is eligible and is considered suitable subject to the conditions that he is at least 45 years of age, but has not completed 55 years of age and has put in at least 15 years of services as Development Officer or there are grounds of individual extenuating circumstances such as illness, injury or disablement.

Clause 11(8) of the Scheme is quoted herein below:-

“11 (8). Any Development Officer whose services are liable to be terminated under this paragraph may, on his specific request, be appointed as clerical staff on such terms as may be decided by the Chairman of the Corporation if he is eligible and considered suitable and subject to the condition that-(i) he is at least 45 years of age but has not completed 55 years of age and has put in at least 15 years of services as Development Officer, or (ii) there are grounds of individual extenuating circumstances such as illness, injury or disablement.”

11. As per the record, appellant’s performance on this cost ratio parameter for successive years exceeded the cost ratio as stipulated in the Scheme. This stipulated cost ratio for the year 2019-20, 2020-21 and 2021-22 was 8% whereas the appellant recorded the cost ratio as 19.26%, 49% and 52.40%



respectively. As per the Scheme, if the cost ratio exceeds the stipulated cost ratio under the Scheme, certain consequences follow and, accordingly, on 16.08.2022 a salary action was taken against the appellant and his basic pay was reduced at Rs.15,650/- from Rs.17,710/-, but after the pay revision effected in the year 2022 his basic pay was revised to Rs.24,315/-, which is the minimum of the pay scale applicable to the post he was holding at the relevant point of time.

12. Again, in the year 2022-23, the appellant could not maintain the stipulated cost ratio, which was 8% while the cost ratio in respect of the appellant was 219.41%, with an excess cost amount of Rs. 16,65,752/-. Accordingly, a warning was issued to the appellant on 13.08.2023 under Clause 11(5) of the Scheme with a caution that failure to improve in the succeeding year of 2023-24 may expose the appellant to the action of termination of his services. Even in the year 2023-24 and 2024-25, as against stipulated cost ratio of 8% the appellant recorded a cost ratio of 29.44% for the year 2023-24 and 35.52% for the year 2024-25. In terms of the Scheme, if in successive performance years the cost ratio exceeds the stipulated cost ratio in respect of a Development Officer, and even after caution or warning his performance does not improve, his services are liable to be terminated as per the prescription available in Clause 11(6), which is quoted above.

13. It is in the aforesaid background facts that a notice of termination was issued to the appellant on 09.09.2024, whereby he was also informed that he may file an appeal before the Appeals Committee within 30 days of service of the said notice. The appellant, accordingly, filed an appeal on



03.10.2024, which is considered by the Competent Authority, however, the appeal was rejected along with the prayer made by the appellant for his appointment to be converted as a clerical staff in terms of Clause 11(8) of the Scheme. The said order was passed on 12.08.2025 and the appellant was communicated the decision of the Competent Authority regarding termination of his services with immediate effect.

14. The notice of termination dated 09.09.2024 and further communication dated 12.08.2025 clearly intimated the appellant that termination of his services shall not be deemed to be a penalty under the relevant disciplinary and appeal rules and also that termination of his services shall not have any impact on his terminal benefits. Challenging the notice for termination dated 09.09.2024 and the communication/letter dated 12.08.2025, the appellant instituted the underlying writ petition, which has been dismissed by the learned Single Judge *vide* the impugned judgment dated 09.02.2026 which is under appeal herein.

15. It has been argued by the learned counsel for the appellant that the learned Single Judge has completely failed to appreciate that the appellant had put in the requisite minimum service of 15 years as per the prescription available under Clause 11(8) of the Scheme and he applied for change of his cadre from that of Development Officer to clerical cadre. However, despite the appellant fulfilling the requisite criteria/eligibility for change of his cadre, the respondents have illegally rejected his request without there being any cogent reason and, therefore, the judgment under challenge herein is liable to be set aside.



16. It has also been argued on behalf of the appellant that neither the notice of termination of services dated 09.09.2024 nor the rejection of request for appointing him as a clerical staff has been made by the authority competent to do so in terms of the Scheme, however, such aspects have clearly been ignored by the learned Single Judge while passing the impugned judgment.

17. In this regard, it has been stated that the notice for termination of services dated 09.09.2024 was given by the Regional Manager of the respondent – Corporation, whereas, as per Clause 11(6) of the Scheme his services could be terminated only by an officer not below the rank of Assistant General Manager and Regional Manager holds a rank which is below the rank of Assistant General Manager and, therefore, the said notice is without jurisdiction.

18. In respect of the order/letter dated 12.08.2025, whereby appellant's prayer for appointing him as clerical staff has been refused, it has been argued on behalf of the appellant that the said decision appears to have been again passed by the Regional Manager, whereas as per the stipulation available in Clause 11(8) of the Scheme, it is the Chairman of the respondent – Corporation who is competent to take any such decision and, therefore, the said order/letter dated 12.08.2025 is also without jurisdiction.

19. Further, it has also been submitted by learned counsel for the appellant that the rejection of his prayer for conversion of his post from that of Development Officer to a clerical post is not based on a tenable reason as the medical condition of the appellant has clearly been ignored while refusing the prayer of the appellant made in this regard.



20. Our attention has also been drawn to the order dated 06.11.2025, whereby the appellant was communicated that his appeal has been dismissed and it has been asserted that the said order is also made by the Chief Manager, who is not the authority competent to decide such appeal and take the decision in terms of Clause 11(8) of the Scheme and, therefore, the order dated 06.11.2025 is also without jurisdiction.

21. On the other hand, learned counsel representing the respondent – Corporation has argued that termination of the services of the appellant has been clearly effected in accordance with the Scheme as aforementioned and only after various steps were meticulously followed by the respondent – Corporation and, therefore, there is no illegality in the termination of the services of the appellant. It has also been argued on behalf of the respondent – Corporation that so far as the claim of the appellant laid for conversion to the clerical staff, the Competent Authority had clearly considered the relevant aspect of the matter in terms of the stipulations made in Clause 11(8) of the Scheme and, therefore, no fault can be found in the said decision where the prayer of the appellant to post him on the lower cadre i.e. the clerical cadre, has been refused. He has also argued that it is highly misconceived to argue that the notice of termination of the services of the appellant as also the order dated 12.08.2025 have been passed by incompetent authority.

22. According to the respondent – Corporation, consideration for terminating the services of the appellant and also his prayer for placing him in the clerical cadre was made by the Competent Authority in terms of the prescriptions made in the Scheme and, therefore, the submission made in



this regard by the appellant is misconceived. It has thus been submitted that the judgment passed by the learned Single Judge which is under appeal herein does not call for any interference by this Court in this appeal.

23. Having considered the respective submissions made by learned counsel for the parties, we are of the opinion that this appeal does not bear any force and is liable to be dismissed for the following reasons:-

- A. It is on record that the appellant has persistently failed to achieve the cost ratio as stipulated in the Scheme.
- B. It is also on record that in terms of the requirement of various steps stipulated in Clause 11 of the Scheme, which prescribes a cost control framework, all the necessary steps were taken against the appellant and after pay action, bringing him to lowest scale of pay, he was also issued warning, however, he could not improve his performance which warranted an action in terms of Clause 11(7) of the Scheme.
- C. Clause 11(6) clearly provides that if the Development Officer continues to be beyond stipulated cost limits even after actions in the preceding sub-clause of Clause 11, his services are liable to be terminated after giving him a notice of 30 days. Accordingly, since the appellant could not improve his performance, he was issued the notice for terminating his services with a clear intimation to him that he can file an appeal against such termination.
- D. It is absolutely misconceived to say that the notice terminating the services of the appellant was not issued by the Competent Authority as stipulated in Clause 11 (6) of the Scheme. As a matter of fact, the



decision is taken by the Competent Authority, and it is only that the Regional Manager communicated the decision for issuance of notice of termination of services. The said notice of termination of services dated 09.09.2024 clearly notes that it is the Competent Authority which has decided to serve a notice of termination of services of the appellant. Submission in this regard made by learned counsel for the appellant is, thus, unfounded.

E. The impugned order dated 12.08.2025, also, is based on the decision of the Competent Authority, as is reflected from the said letter/order itself where it is clearly noted that the Competent Authority had conducted a thorough review of the appeal including the medical documents and thereafter it came to the conclusion that appellant's medical condition does not fulfill the criteria laid down in Clause 11(8) of the Scheme as there are no such extenuating circumstances. The submission on behalf of the appellant that since he fulfils the eligibility of having put in 15 years of services as Development Officer and, therefore, he was entitled to be appointed as clerical staff is also misconceived for the reason that a Development Officer, whose services are terminated under the Scheme and who has put in 15 years of service does not have an indefeasible right to be converted to clerical cadre. The conversion to clerical cadre depends on other requirements as well, such as the individual extenuating circumstances i.e. illness, injury or disablement. The Competent Authority considered the claim put forth by the appellant in terms of requirements of Clause 11(8) and once the Competent Authority



comes to the conclusion that there are no individual extenuating circumstances, such as illness, injury or disablement to convert the appellant to clerical staff, in our opinion, such decision by the Competent Authority has to be accepted and judicial review of such a decision is almost impermissible and is confined only on the ground of *mala fide*.

F. The learned Single Judge has considered all the aforesaid aspects of the matter and has, in our opinion rightly concluded that the appellant had failed to make out a case for grant of the reliefs prayed for by him in the writ petition.

24. In view of the aforesaid reasons, we find ourselves in complete agreement with the impugned judgment rendered by learned Single Judge.

25. Resultantly, the appeal fails, which is hereby dismissed. The pending application also stands disposed of.

26. No orders as to costs.

DEVENDRA KUMAR UPADHYAYA, CJ

ANISH DAYAL, J

APRIL 13, 2026

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