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

\+ W.P.(C) 1822/2026 & CM APPL. 8815-8816/2026

SH. NARENDRA SINGH .....Petitioner

Through: Mr. Gulshan Sharma, Advocate

versus

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

Through:

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

<u>O R D E R</u>

% **09.02.2026**

1. The Petitioner invokes Article 226 to assail (i) the notice for termination of services dated 9th September, 2024 and (ii) the subsequent termination communicated with last working day shown as 12th August, 2025. The principal case set up is that the employer acted unfairly by ignoring long-standing medical issues, by not granting a personal hearing, and by rejecting the request for conversion to a clerical/assistant cadre under Para 11(8) of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976,[1] as amended ("the Scheme, 1976").

Facts and chronology

2. The Petitioner last served as Development Officer Grade II at Okhla Operating Office. The employer's communication records that the Petitioner

[1] "The scheme"

was appointed as Development Officer Grade II on 20th January, 1998 and services were confirmed on 21st January, 1999.

3. The scheme governs Development Officers. It includes a "Cost Control" framework, which requires that a Development Officer maintains the cost ratio within stipulated limits.

4. The employer's record sets out the Petitioner's performance on the cost ratio parameter over successive years. The stipulated cost ratio is shown as 8% for 2019-20, 2020-21, and 2021-22, whereas the Petitioner's actual cost ratio is recorded as 19.26%, 49% and 52.40% respectively, along with corresponding excess cost amounts.

5. Consequences followed under the Scheme. A salary action dated 16th August, 2022 reduced basic pay by two decrements and fixed the basic at ₹15,650/- from ₹17,710/-; after the 2022 wage revision, the basic pay was revised to ₹24,315/- as the minimum for the scale.

6. The record then shows that the Petitioner again failed to maintain the stipulated cost ratio in 2022-23. For that year, the stipulated ratio is shown as 8%, while the actual ratio is shown as 219.41%, with an excess cost amount of ₹16,65,752.

7. A warning letter dated 30th August, 2023 was served under Para 11(5) of the scheme, recording that the Petitioner had exceeded the stipulated cost limit for the fourth successive time and cautioning that failure to improve in 2023-24 would expose the Petitioner to termination.

8. For 2023-24 and 2024-25, the employer's record shows continuing breach, with actual cost ratio recorded as 29.44 (stipulated 8) for 2023–24 and 35.52 (stipulated 10) for 2024-25, with stated excess cost amounts.

9. In that backdrop, and as per Para 11(6) of the Scheme, 1976, the

notice for termination was issued on 9th September, 2024, acknowledged by the Petitioner on 12th September, 2024. The notice also carried intimation that an appeal could be filed under Para 11(7) within 30 days.

10. The Petitioner availed the appeal remedy. The Petitioner by letter dated 3rd October, 2024 requested conversion to the administrative side on sympathetic and medical grounds by invoking Para 11(8).

11. The appeal was examined by a three-member committee which referred the case to the competent authority at Head Office for conversion to the assistant cadre on medical grounds on 20th December, 2024. The medical documents were referred to a doctor, who suggested a stress test by a recognised cardiologist of a recognised hospital.

12. A stress test report dated 27th May, 2025 was then submitted, which recorded, among other impressions, negative for provocable myocardial ischaemia and good exercise tolerance. The doctor opined that the Petitioner can do moderate physical activities.

13. The competent authority rejected conversion under Para 11(8), recording that the medical condition did not fulfil the criteria and that there were no such "extenuating circumstances" warranting conversion, and treated the last working day as 12th August, 2025. The same communication states that termination under Para 11(9) "shall not be deemed to be a penalty" under the New India Assurance Company Limited (Conduct, Discipline and Appeal) Rules, 2014 and shall have no effect on terminal benefits.

Petitioner's submissions

14. The petition assails two steps taken by the Company under the Scheme, 1976, namely the notice for termination of services dated 9th

September, 2024 and the termination communicated by treating 12th August, 2025 as the last working day. The relief sought is quashing of both communications, reinstatement with consequential benefits, and a direction to extend the benefit of Para 11(8) by converting the Petitioner from Development Officer to clerical/assistant cadre on medical grounds.

15. The Petitioner's case is that an underlying medical condition progressively impaired the ability to discharge field duties, that the Company was repeatedly informed of this constraint over the years, and that the impugned action ignores those "individual extenuating circumstances" which Para 11(7) and Para 11(8) require the competent authority to weigh while deciding the appeal/conversion request.

16. The Petitioner asserts that in March, 2010 the Petitioner was diagnosed with a "thyroid nodule" as a chronic ailment and was referred for further treatment. A surgery is stated to have been performed in June, 2010 at Batra Hospital and Medical Research Centre. Post-surgery, the Petitioner claims a substantial reduction in energy levels, persistent discomfort, and backache. As per the Petitioner, these factors made sustained field work, frequent travel, and prolonged driving difficult, which impacted business targets and performance in subsequent years.

17. He further states that, rather than accommodating medical constraints, the Company reduced salary in February 2012, with effect from April, 2011, and recovered amounts from monthly emoluments. This was done without serving any prior notice or granting an opportunity to explain the medical circumstances.

18. The Petitioner then places reliance on a series of representations seeking conversion to lighter duties. The first such request is stated to be a

letter dated 11th September, 2013 seeking conversion from Development Officer Grade I to an administrative/office role on medical grounds, along with supporting medical documents and medical advice said to include a direction to avoid prolonged driving and to undertake light duties. Follow-up reminders dated 15th January, 2015 and 28th March, 2016 are also relied upon. The grievance is that these letters were met with silence and no reasoned decision was communicated.

19. On this premise, the Petitioner argues that the employer's subsequent reliance on poor performance and cost ratio is incomplete and unfair because it disregards the repeated medical requests and the asserted inability to perform field-intensive work.

20. A central plank is breach of natural justice. The Petitioner's case is that neither the termination notice process nor the final termination was preceded by a meaningful opportunity of hearing. He asserts that the Company ought to have called the Petitioner, heard the medical plea, and considered the request for conversion before taking an irreversible step such as termination.

21. In particular, the Petitioner attacks the appeal-stage process reflected in the confirmation/decision dated 6th November, 2025. It is urged that the Company speaks of a "three-member committee", but the Petitioner was never informed of the constitution of such committee in advance, was never invited to appear, was never granted a personal hearing, and was never supplied minutes or proceedings. The Petitioner characterises this as a "review" or "enquiry" conducted behind the Petitioner's back, which, in substance, determines rights and culminates in termination.

22. It is emphasised that even within the Company's own narrative, the

medical material was processed internally and opinions were obtained without the Petitioner being associated with the process. The Petitioner contends that when medical grounds and long service were specifically invoked, fair procedure required, at the very least, an oral hearing before any committee/authority deciding whether conversion under Para 11(8) should be granted.

23. The Petitioner places specific reliance on Para 11(8). The submission is that the Scheme itself recognises that Development Officers may face "individual extenuating circumstances" such as illness, injury or disablement, and provides a route for relief by conversion to clerical/assistant cadre.

24. He asserts that the eligibility conditions under Para 11(8) are satisfied, both in terms of service tenure and age, and in terms of medical condition constituting "extenuating circumstances". It is emphasised that the Petitioner made requests for conversion long before the termination action, and those requests were supported by medical documents. Therefore, the rejection of conversion on the reasoning that there are "no such extenuating circumstances" are arbitrary, unreasoned, and contrary to the Scheme's purpose.

25. The Petitioner also challenges the manner in which medical fitness is treated. It is urged that the medical opinion cited by the Company records only that the Petitioner can do "moderate physical activities". The Petitioner's case is that this does not translate into the functional ability to perform continuous field duty, long-distance travel, and prolonged driving which the role effectively demands. On this premise, the Petitioner argues that the conclusion that the medical condition does not justify conversion is

mechanically drawn and fails to appreciate the practical demands of the job.

26. It is also urged that under Para 11(6) a termination under the Scheme must be by an officer not below the rank of Assistant General Manager. The Petitioner claims that the termination notice/letter was issued by the Regional Manager, and therefore is without jurisdiction. He relies on an earlier decision of this Court to contend that discharge pursuant to a committee "unknown to law" and action by an incompetent authority is liable to be set aside.

27. The Petitioner attempts to place the case in the line of authority which holds that where an employer chooses to evaluate an employee through a process akin to an enquiry, and the outcome is termination founded on findings arrived at behind the employee's back, the termination ceases to be an innocuous discharge and attracts stricter scrutiny.

28. Reliance is placed on ***Abhay Jain v. High Court of Rajasthan***[2] for the proposition that if an organisation holds an enquiry into inefficiency behind the employee's back, the resultant termination/non-confirmation becomes punitive and cannot stand. It is argued that the principle applies with greater force to a long-serving employee. Reliance is also placed on ***Dipti Prakash Banerjee v. S.N. Bose National Centre for Basic Sciences,***[3] and ***Ms. X v. High Court of Madhya Pradesh***,[4] to submit that the Court may pierce the form of the order, examine the substance, and strike down a discharge which is in truth founded on adverse findings arrived at without fair hearing or which carries a stigmatic colour.

Analysis and findings

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[2] (2022) 13 SCC 1
[3] (1999) 3 SCC 60

29. The submissions and the record bring into focus the following questions:

(i) Whether the impugned action stands vitiated for breach of natural justice on the ground that no personal hearing preceded the steps taken under Para 11 of the Scheme.

(ii) Whether, in substance and effect, the termination is punitive or carries a stigmatic colour, thereby attracting safeguards ordinarily associated with disciplinary action.

(iii) Whether the refusal to extend the benefit of conversion under Para 11(8) warrants interference in the exercise of judicial review.

30. Certiorari lies to correct jurisdictional error, procedural unfairness, or manifest arbitrariness. It does not invite a re-appraisal of performance on merits, nor does it permit the Court to rewrite the consequences prescribed by a statutory scheme on the strength of sympathy alone. Length of service may lend context, but it cannot displace the governing framework. Compassion has a legitimate place, but it must operate within the boundaries of the governing scheme and the record.

31. The Petitioner's grievance rests on the absence of an oral hearing. The difficulty for the Petitioner is that the record reveals adherence to a structured process as per the terms of the scheme based on objective performance data, followed by an appeal mechanism which the Petitioner invoked. The record shows repeated breaches of stipulated cost ratio in successive years, beginning 2019-20, followed by salary action in August, 2022. The record then shows a further breach in 2022-23, followed by a warning under Para 11(5) which expressly cautioned that a continued breach

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[4] (2022) 14 SCC 187

in 2023-24 would expose the Petitioner to termination. The notice for termination then followed in September, 2024 under Para 11(6), with an explicit intimation of the right to appeal.

32. In a scheme of this nature, where the trigger is performance data and where the employee is repeatedly informed of breach and consequences, the insistence that fairness necessarily requires an oral hearing before each step is too broad a proposition. Natural justice is not a ritual. It requires a fair chance to respond in the manner the governing framework contemplates. The record shows that the Petitioner exercised the appeal remedy within time and pressed the plea of conversion under Para 11(8) urging medical grounds.

33. The appeal was processed by obtaining medical evaluation, including the stress test and a reasoned medical opinion on functional capacity.

34. It is difficult, on this record, to hold that the Petitioner was denied a fair chance in substance. The authorities relied upon by the Petitioner address cases where termination is founded on blame, imputation, or findings arrived at through an enquiry touching character or misconduct, without giving the employee an opportunity to meet the case. That principle is unexceptionable.

35. The present record, however, shows termination anchored in a consequence provided in the scheme, arising from repeated non-compliance with stipulated cost ratio, preceded by salary action, warning, and a formal termination notice.

36. The communication dated 6th November, 2025 also states that termination under Para 11(9) shall not be deemed to be a penalty and shall not affect terminal benefits.

37. The Court does not read this record as returning any finding of misconduct, moral blame, or stigma. The impugned action followed as the performance requirements under the statutory scheme were not achieved. In these circumstances, the attempt to characterise the decision as punitive, by describing the committee process as an "enquiry", does not fit the nature of the exercise shown on record.

38. The Petitioner's central equitable plea is that medical constraints made field duties difficult and conversion to a lighter cadre ought to have been granted. That plea received attention in the appeal process. The record shows that the competent authority examined the appeal, considered the medical documents, sought a stress test, and then recorded that the criteria under Para 11(8) were not satisfied, with the stress test impression and the doctor's view that the Petitioner can do moderate physical activity forming part of the material considered.

39. Judicial review does not re-adjudicate medical fitness. The Court interferes where the decision ignores relevant material, relies on extraneous considerations, or is so unreasonable that it cannot stand. On the documents on record, the decision reflects consideration of the medical plea in the precise way the Scheme contemplates. The writ court cannot substitute its own view on whether conversion "ought" to have been granted.

40. The pleadings employ strong language, but the petition does not place specific particulars that could support a prima facie inference of mala fides. The chain of events shown in the record is consistent with a scheme-driven process rather than a targeted action.

41. One further feature reinforces that conclusion. The Petitioner's own chronology stretches the grievance across several years, yet the impugned

action rests on performance data from 2019 onwards, followed by structured scheme-based consequences. The record does not suggest a sudden, unexplained rupture.

Conclusion

42. The Court has considered the contentions because termination is a serious matter and the Petitioner had a long service. However, the record placed by the Petitioner and the undisputed documents do not disclose any illegality, denial of fair procedure in the legal sense, or perversity that warrants interference. The writ petition is, therefore, dismissed at the admission stage. The pending applications, if any, also stand disposed of.

43. It is clarified that the dismissal shall not impede release of terminal benefits, which the employer's communication itself states will not be affected by termination under Para 11(9). The competent authority shall ensure that all admissible dues are processed and released in accordance with rules within eight weeks from today, subject to completion of formalities by the Petitioner.

SANJEEV NARULA, J

FEBRUARY 9, 2026/*hc*