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

% ***Reserved on: 20th April, 2026***
Pronounced on: 17th August , 2026

\# **CNR No : DLHC010430572011**

\+ **W.P.(C) No.2382/2011**

1. **HARINDER BHAYANA**
S/o Shri J.P.S. Bhayana
R/o H.No.293/12, Street No.8,
Krishna Colony,
Gurgaon, Haryana-122001.

2. **MR. KINGSHUK PAUL**
S/o Late R.C. Paul
Makatpur, Old Post Office Gali Makatpur
P.O & Distt. Giridih-815301, Jharkhand.

3. **MR. CHRIST PRAKASH KERKETTA**
C/o Mr. N.B.P. Roy
R/o Bimal Bhawan, New Railway Hospital,
Bibigunj Road, Brahmpura,
Muzaffarpur-842003.

4. **SHRI LAW KUMAR**
S/o Sri Ramnath Ram
R/o Ambedkar Colony, Baswaria,
Ward No.31, Bettiah, P.O. Bettiah,
Distt. West Champaran-845438.

.....Appellants

Through: Ms. Vandana Kaushal, Mr. Samarth Mohanty and Mr. Talat Chaudhary, Advocates.

versus

1. **UNION OF INDIA**
Through Its finance Secretary

Ministry of Finance and Company Affairs
North Block, New Delhi.

2. **THE NEW INDIA ASSURANCE CO. LTD.**
Delhi Regional Office-I
Level-5, Tower-II, Jeevan Bharati
124, Connaught Circus,
New Delhi-110001.

3. **THE NEW INDIA ASSURANCE CO. LTD.**
Through its Chairman cum Managing Director
New India Assurance Building, 87- Mahatma Gandhi Road,
Fort, Mumbai-400001.

4. **GIPSA**
General Insurers' (Public Sector) Association of India
New India Centre, 4th Floor, 17-A, Cooperage Road,
Mumbai-400039.

.....Respondents

Through: Mr Vinay Yadav, CGSC with Ms. Kamna Behrani, Mr. Ansh Kalra and Mr. Neeraj Paulose Raj, Advocates for R-1.
Mr. Dinesh Mathur and Ms. Esha Goyal, Advocates for R-2 & 3.

CORAM:
HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. A Writ Petition under Article 226 of the Constitution of India has been filed by the Petitioners seeking directions to the Respondents to frame a Promotion Policy for the Petitioners, who have been put in a state of artificial stagnation for the last seven years, and to treat them at par with

other Development Officers (Administration), Grade-I, who are similarly placed.

2. Petitioner No.1 Harinder Bhayana, has stated that after qualifying his 10th Standard, he was selected on merit, for a job-oriented vocational course in General Insurance at the 10+2 level. He passed 10+2 in the Vocational Stream-General Insurance and underwent apprenticeship for one year with The New India Assurance Co. Ltd., Respondent No.3.

3. Petitioner No.1, joined Respondent No.2 as an Assistant Typist w.e.f. 26.06.1996 after being selected on the basis of an interview. He was thereafter, promoted/converted to Probationary Development Officer Grade-II and was posted at Bajaj House, Nehru Place, New Delhi on 21.11.2000. After completion of *the probation period, he was confirmed as Development Officer Grade-II and was posted at Gurgaon, Haryana*.

4. Petitioner No.2, Sh. Kingshuk Paul likewise, joined respondent No.3 as *Development Officer Grade-II on 23.12.1996 and was confirmed on 01.01.1998.*

5. Petitioner No.3 Sh. Christ Prakash Kerketta joined respondent No.3 as Development Officer Grade-II on 30.12.1996 and was confirmed in the post w.e.f. 01.01.2000 on completion of his probation. Likewise, Petitioner No.4, Law Kumar was confirmed on 01.01.1999 as Development Officer Grade-II.

6. **Respondent No.3 is a wholly-owned Government of India Company and all the Petitioners are its employees**. Respondent No.4 is stated to be a Federation of the four wholly-owned Government of India Public Sector Companies in the Insurance Sector.

7. The Petitioners have stated that the CMDs of the four wholly-owned Government of India Companies in the field of General Insurance, have formed an entity, namely, *"General Insurance Public Sector Undertaking Association (GIPSA)", Respondent No.4*, to bring practical and working uniformity in the field.

8. The Petitioners opted for conversion to Development Officer *(Administration)* under a Scheme formulated by Respondent No.1, namely, the *'General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Developmental Staff) Amendment Scheme, 2003'*.

9. In the year 2003, the ***'General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Developmental Staff) Amendment Scheme, 2003'* was implemented, whereunder a new cadre of "Development Officer *(Administration)*" was created.** Development Officers Grade-I and Grade-II were given an option to switch to this cadre and the Petitioners, amongst others, exercised the said option.

10. The Amendment Scheme, 2003 was notified by the Government of India *vide* Notification dated 02.01.2003. The Mumbai Head Office of Respondent No.2 issued a Letter dated 08.01.2003 to its Regional Offices directing them to obtain copies of the said Scheme and ensure that the same was displayed on the Notice Boards of its offices, aside from supplying a copy thereof to each and every Development Officer. The Regional Office communicated the same to the Divisional Office *vide* Letter dated 13.01.2003.

11. Thereafter, a meeting was organized by GIPSA/Respondent No.4 and the issues relating to implementation of the Amendment Scheme were

evolved on the basis of the Administrative Guidelines dated 05.02.2003 issued by GIPSA/Respondent No.4.

12. The Mumbai Head Office of Respondent No.2 circulated a detailed document titled *'Queries on Implementation of Scheme with Clarification'* dated 14.02.2003 for informing prospective candidates interested in opting for the Scheme, taking feedback from such persons and analysing the future interests of the Petitioners and other similarly situated persons.

13. A meeting of the Development Officers *(Administration)* was also organized by Respondent No.2 at Hotel Marina, Majlis Hall, Connaught Place, New Delhi on 25.02.2003 for discussing the queries in regard to the Scheme.

14. Item 22 of the Annexure, circulated by Respondent No.2 under the head *'Nature of Query'* read as follows:

> *"Whether Devl. Officers (Admn.) will be at par with Class III and what are the promotional opportunities for them?*
> *That the "Clarification" column against said item in said Annexure reads as follows-*
> *"They will be in Class II cadre and a separate promotional policy will be formulated for them."*
>
> *Further the item 45 of said Annexure, circulated by the Respondent No.2, through its Head Office, Mumbai under the head 'Nature of Query' reads as follows-*
> *"What will be the Promotion Policy for the Devi. Officers who opt on Administration side? Whether a separate Promotion Policy will be drafted or the existing Policy for Class III will govern"*
> *That the "Clarification" column against said item in said Annexure reads as follows-*
> *"Yes, separate policy".*

15. After taking into account the aforesaid clarifications and the feedback received on 14.02.2003 and analyzing the future interests of the Petitioners, the Amendment Scheme, 2003 was brought into operation.

16. The Petitioners exercised their option to switch to Development Officer *(Administration)* by submitting their respective letters/applications in the prescribed format. The option of Petitioner No.1 was accepted by Respondent No.2 w.e.f. 01.04.2003. Likewise, the options exercised by Petitioner Nos.2, 3 and 4 were accepted on 30.04.2003 w.e.f. 01.04.2003.

17. The legality of the Amendment Scheme had been challenged before the Apex Court in the case titled *National Insurance Co. Ltd. vs. General Insurance Development Officers Association and Ors*., [2008] INSC 576, wherein a statement was made by National Insurance Co. Ltd., on the basis of which the Supreme Court disposed of the Petition by observing, *"...so far as the promotional prospects and the wage revision are concerned, **a draft policy stated to have been formulated for the latter (employees in administration) be finalized within a period of three months…**"*.

18. Insofar as the validity of the said Amendment Scheme was concerned, the Supreme Court, while upholding the same, observed, ***"…It is further clarified that if the scheme is prima facie discriminatory it is open to challenge…".***

19. *Respondent No.2/ The New India Assurance Co. Ltd. brought out a Policy for promotion of Development Officers (Administration) Grade-I in October, 2008.* However, according to the Petitioners, *the said Scheme devised by the Company was entirely discriminatory* as it provided for promotion of Development Officers *(Administration)* Grade-I *vide*

Promotion Policy dated 14.10.2008, but the benefit of the Promotion Policy was not extended to Development Officers *(Administration)* Grade-II.

20. Though Respondent No.3 undertook two Promotion Exercises, the Petitioners and many other Development Officers *(Administration)* Grade-II were left out from consideration for promotion. The Application moved by Shri Rajiv Saini, Development Officer *(Administration)* Grade-II, was also rejected on the ground that there was no Promotion Policy applicable to the said Officer.

21. The Petitioners have challenged the Orders dated 30.01.2009 and 30.06.2010, whereby lists were issued after conducting Promotion Exercises, only for Development Officers *(Administration)* Grade-I, thereby discriminating against the Petitioners and other Development Officers *(Administration)* Grade-II *by neither considering them for promotion nor formulating any Promotion Policy for them.*

22. The Petitioners have submitted that even though Respondent No.2 had been promising a Promotion Policy for the Petitioners and other Officers, no such Policy was formulated. The Promotion Policy which eventually came to be formulated in the year 2008 was restricted to Development Officers *(Administration)* Grade-I only, which, according to the Petitioners, amounted to blatant discrimination without any rhyme or reason.

23. It is asserted that having obtained the consent of the Petitioners for switching the cadre, Respondent Nos.2 and 3 are bound by the *Doctrine of Promissory Estoppel* in accordance with the mandate of Article 14 of the Constitution, as a Statutory Corporation cannot be permitted to act arbitrarily.

24. It is further stated that the comparative analysis would show that persons who joined along with Petitioner No.1 in a Class-III post, are getting higher salaries even as Assistants in Class-III posts. Petitioner No.1 had earned one promotion from Class-III to Class-II way back in the year 2000 and is still getting a lower salary and has received fewer increments and arrears.

25. On the other hand, persons such as Shri Rahul Verma, who started along with Petitioner No.1 in Class-III and earned promotion to Class-II *(Officer Cadre)* in the year 2000 along with Petitioner No.1, is now a Development Officer Grade-I and is getting a much better salary. According to Petitioner No.1, his only disadvantage is that he opted for Development Officer *(Administration)*. It is further stated that the record of business achieved by Petitioner No.1 before switching to the Administrative side, as well as after switching, has been better than that of Shri Rahul Verma.

26. Having changed their position irreversibly on the basis of promises and assurances expressly extended by Respondent No.2, the Petitioners claim entitlement to promotion and consequential benefits from the date of acceptance of their option, under the equitable doctrine of *"Legitimate Expectation"*.

27. The Petitioners had addressed letters and reminders, but no response was received from Respondent No.2. The information was ultimately sought under the Right to Information Act, but, according to the Petitioners, an evasive and unresponsive reply was given by Respondent No.2. The career growth of the Petitioners has suffered artificial stagnation, though their cases for promotion are stated to be long overdue, as they had reached the ceiling

of their pay-scales in the cadre of Development Officer *(Administration)* Grade-II, way back in the year 2003-2004.

28. The Petitioners have further asserted that they are entitled to promotion, *firstly*, because the Amendment Scheme provides no scope for discrimination between the career prospects of Grade-I and Grade-II Development Officers *(Administration)*. *Secondly*, neither law nor equity permits termination of the career growth of a person who is in a lower Grade, namely Grade-II, while providing further career growth to persons in the higher Grade, namely Grade-I.

29. It is further asserted that even after 7½ years, the Respondents have not formulated a Promotion Policy for Development Officers *(Administration)* Grade-II, which is in blatant violation of the fundamental rights enshrined under Article 16 of the Constitution of India. Moreover, having promised benefits and conditions of service to the Petitioners, before taking their consent, they are now *estopped* on the *Doctrine of Promissory Estoppel* in accordance with Article 14 of Constitution of India, from resiling from the said representation.

30. The Petitioners have also not received the actual benefit of wage revision, which comes to approximately Rs.3,18,440/-, on account of there being no Promotion Policy. The Respondents are, therefore, liable to formulate a Promotion Policy forthwith and provide consequential benefits of wage revision w.e.f. 01.04.2003 along with interest @ 12% per annum.

31. **A prayer is, therefore, made** that directions be issued to Respondent No.2 to formulate a Promotion Policy for Development Officers *(Administration)* Grade-II; Respondent Nos.2 and 3 be directed to consider the cases of the Petitioners for promotion on parity with the Promotion

Exercises undertaken for Development Officers *(Administration)* Grade-I, keeping in mind the eligibility of the Petitioners in the year 2003-2004; and further, the Respondents be directed to grant consequential benefits of wage revision and other promotional benefits.

32. ***Respondent No.2, in its Counter-Affidavit***, has made a *preliminary submission* that its Board of Directors, in the meeting held on 22.10.2012, approved the General Insurance (Public Sector) Development Officers Grade-II Special Package Scheme, 2012, which was notified w.e.f. 05.11.2012. The said Scheme was only a one-time Special Package Scheme.

33. The Respondent Company, *vide* Notification dated 05.11.2012, informed all its Officers about the approval of the Special Package Scheme, 2012 and that the same would remain open for a period of ninety days w.e.f. 05.11.2012. It is explained that under the General Insurance *(Rationalization of Pay Scales and Other Conditions of Service of Development Staff)* Scheme, 1976, the cadre of Inspector Grade-II was envisaged as a stepping stone for some persons of the then existing Development Staff having a *premium portfolio below the benchmark prescribed* for Inspector Grade-I, as also for new entrants to the cadre of Development Staff, particularly in 'B & C' Class Cities, to enable them to gradually acquire the requisite size of business portfolio sufficient to sustain their cost to the Company for placement/upgradation in Grade-I pay scale.

34. It was further conceived that a period of five to six years would be sufficient for a new entrant to develop himself and acquire the requisite business portfolio and, accordingly, the pay scale of Inspector Grade-II was constructed to include six annual grade increments. The designation of *'Inspector'* was replaced by *'Development Officer'* w.e.f. 01.01.1987. In the

year 2000, one more increment was added to the pay scale of Grade-II Development Officers, making its span spread over seven stages.

35. Almost every Development Officer Grade-II was able to develop himself adequately within five to six years to a level sufficient for upgradation to the Grade-I cadre. *However, a few of them could not qualify for such upgradation to Grade-I cadre, even after spending a longer tenure as a Grade-II Officer.*

36. Additionally, there were some Development Officers Grade-II who, though upgraded to Grade-I, were subsequently relegated to Grade-II cadre as a part of implementation of penalty, under Disciplinary Proceedings. Some Grade-II Development Officers, who found it difficult to procure the minimum level of premium required for the Grade-II cost level, voluntarily opted for the Administrative side, under the Special Voluntary Retirement Package in the year 2003. It is asserted that *Development Officers Grade-II*, per se, did not constitute a regular cadre, but the said Grade had initially been created to allow new recruits to gradually gear up to a level of business performance in tune with the cost stipulations of the Rationalization Scheme, keeping in view the emoluments, at the initial stage of Grade-I Development Officers.

37. The pay scales of Grade-II Development Officers were fixed in a manner so as to serve as a stepping stone to graduate, in due course, to the regular cadre of Grade-I. According to Respondent No.2, the Petitioners could not perform to the requisite level and, accordingly, continued to remain Development Officers Grade-II.

38. It has further been explained that the cadre of Grade-II Development Officers comprises either of non-performers or those Development Officers

who had reached the level of Grade-I by virtue of their performance but, owing to imposition of penalty in Disciplinary Proceedings, were downgraded to Grade-II.

39. Thus, according to Respondent No.2, the cadre of Grade-II Development Officers comprised only two categories of employees, *namely, gross and chronic non-performers or those who had been penalized for misconduct.*

40. The Petitioners belonged to this cadre, which is the lowest performing group of employees amongst the Development Officers. Moreover, the number of employees in this cadre, is only 30 and geographically scattered throughout India.

41. In the year 2007, one of the Associations of Development Officers pointed out that the Development Officers Grade-II, who were very few in number, had been stagnating at the maximum of the scale for a long period without any promotional avenues to another cadre carrying a higher pay scale. The representation was examined by the Management of Respondent No.2. Thereafter, with an intent to address the needs of Development Officers Grade-II, it was envisaged that a One-Time Package Scheme be introduced to enable such Officers, including the Petitioners herein, to opt for an avenue that would place them in a pay scale having an adequately long span commensurate with the length of their balance service.

42. As per Para 4 of the *General Insurance (Public Sector) Development Officers Grade-II Special Package Scheme, 2012*, all Development Officers Grade-II, except those under suspension or against whom Disciplinary Proceedings/Criminal Cases were pending or contemplated, were eligible to avail an option under the Scheme. The said

Scheme also gave an option to those Development Officers who could not perform and meet the criteria prescribed under the General Insurance Amendment Scheme, 2003. *The Special Package Scheme, 2012 was voluntary in nature and was specifically intended for designated Development Officers Grade-II.*

43. It is stated that had the Petitioners applied under the said Scheme, they would have been categorized under Class-III, i.e. Assistant Cadre, instead of being liable to termination from service under the cost norms stipulated in the Development Officers' Scheme. *By opting for the said Scheme, they would have become entitled to regular increments and the promotional avenues available from Class-III to Class-I cadre.* Those Development Officers who were earlier in Class-III and had opted for conversion to Class-II, but could not meet the performance criteria under the Amendment Scheme, 2003, could thus, benefit under the General Insurance (Public Sector) Development Officers Grade-II Special Package Scheme, 2012, if they opted for conversion in terms of the said Scheme.

44. It was further submitted that whether, in a particular service, promotional avenues should be available or not, is a matter to be decided by the employer and an employee cannot claim promotion merely because he has put in a particular number of years of service. In one branch, there may be greater promotional avenues than in another branch, but the same cannot, by itself, be termed discriminatory or arbitrary. It may also be that some persons in one line are neither qualified nor suitable to hold posts in another line.

45. It is a settled principle of law that the employer has the right to alter the terms and conditions of service and a change restricting the scope of

promotion, per se, cannot be termed arbitrary so as to attract Articles 14 and 16 of the Constitution. It is also an accepted principle that where an employer has a large number of employees performing diverse duties, it must enjoy a certain measure of discretion in treating different categories of employees as holding equal status or equated posts, since questions relating to promotion or transfer of employees *inter se* would necessarily arise for maintaining the efficiency of the Organization.

46. There is, therefore, nothing inherently wrong in an employer treating certain posts as equal status or equated posts, provided such discretion is exercised reasonably and does not violate the principles of equality enshrined under Articles 14 and 16 of the Constitution of India.

47. ***On merits***, it was stated that GIPSA/Respondent No.4 is an internal mechanism of coordination created by the four Public Sector General Insurance Companies to discuss common issues arising amongst them and to serve as a common consultative platform to assist these four Companies in addressing common issues in the competitive environment. Respondent No.4 does not have any Supervisory, Administrative or Statutory Authority over the four Public Sector Insurance Companies, including Respondent Nos.2 and 3, and therefore, Respondent No.4 is liable to be deleted from the array of parties as it is neither a necessary nor a proper party.

48. It is further submitted that the General Insurance Amendment Scheme, 2003 has been upheld by the Apex Court in the Judgment of *National Insurance Co. Ltd vs. General Insurance Development Officers Association* (2008) 5 SCC 472. Subsequently, the Supreme Court in *New India Assurance Co. Ltd. Vs. R.S. Narang* (2010) 5 SCC 335 held that

Amendment Scheme, 2003 is a delegated legislation with a statutory character.

49. The averments made in the Petition were denied and it was submitted that there is no merit in the Writ Petition, which is liable to be dismissed.

50. The Petitioner in their ***Rejoinder*** to the Counter-Affidavit of Respondent No.2, reaffirmed the assertions as made in the Petition.

51. In their ***Written Submissions, the Petitioners*** contended that the 2003 Scheme did not create any Grades within the DOA cadre and that Item 9 of the Clarifications dated 14.02.2003 made it clear that the Grade distinction was relevant only for the purpose of existing salary scales. It was submitted that the Petitioners switched cadres on the basis of express assurances that a separate promotional policy would be formulated and that having altered their position irreversibly, the Respondent is bound by the doctrine of Promissory Estoppel, as laid down in *Motilal Padampat Sugar Mills Co. Ltd. vs. State of U.P. & Ors.*, (1979) 2 SCC 409.

52. It was further submitted that the 2012 Scheme is not a promotional policy but a demotion veiled as a special package, as it offers the Petitioners conversion to the cadre of Assistant, a Class-III post. Reliance was placed on *Food Corporation of India & Ors. vs. Parashotam Das Bansal & Ors.*, (2008) 5 SCC 100, and *Council of Scientific and Industrial Research vs. K.G.S. Bhatt & Anr.*, (1989) 4 SCC 635, for the proposition that promotion is a normal incidence of service and that the Court has jurisdiction to direct the formulation of a *Promotional Policy* where employees have been left to stagnate without any avenue for advancement.

53. The ***Respondent, in its Written Submissions,*** contended that the 2012 Scheme is not under challenge and provides an adequate mechanism for promotion, thereby rendering the Petitioners' primary prayer infructuous. The question of there being no career prospects under the 2003 Scheme had already been canvassed before the Apex Court and that the said Scheme has been upheld in *National Insurance Co. Ltd. vs. General Insurance Development Officers Association & Ors.,* (2008) 5 SCC 472.

54. It was further submitted that Development Officers Grade-I and Grade-II are separate and distinct posts, each forming a class by themselves, and that the question of discrimination under Article 16 of the Constitution, does not arise as the Petitioners voluntarily joined the post and are being paid equally within their cadre.

Submissions heard and record perused.

55. The rival contentions as set out above give rise to the following issues for consideration:

(i) *Whether the Petitioners' option to switch to the cadre of Development Officer (Administration) was voluntary and what the consequences thereof are;*

(ii) Whether the route for progression from Grade-II to Grade-I, being performance-based, had any continued relevance after the Petitioners switched to the administrative cadre;

(iii) Whether the Clarifications dated 14.02.2003 constitute representations capable of founding the doctrines of Promissory Estoppel and Legitimate Expectation;

(iv) *Whether the Promotion Policy dated 14.10.2008, formulated for Development Officers (Administration) Grade-I, and the General Insurance (Public Sector) Development Officers Grade-II Special Package Scheme, 2012, together constitute compliance with the direction of the Apex Court, thereby rendering the prayers of the Petitioners infructuous;*

(v) Whether a writ of Mandamus can be issued directing the Respondents to formulate a further or different Promotion Policy for Development Officers (Administration) Grade-II.

I. Whether the Petitioners' option to switch to the cadre of Development Officer (Administration) was voluntary and what the consequences thereof:

56. It is not in dispute that the Petitioners exercised the option to switch to the cadre of Development Officer (Administration) voluntarily. No compulsion was exercised by the employer. The option, as stated by the Petitioners themselves, was exercised by submitting Applications in the prescribed format as per Annexure-II of the Gazetted Notification, and the same was accepted by Respondent No.2 w.e.f. 01.04.2003.

57. The irrevocability of the distinct option for Development Officer (Administration) under Paragraph 15C(1)(b) is, however, independently established at Paragraph 8, of the GIPSA Administrative Guidelines dated 05.02.2003, which expressly provided that *"**A Development Officer shall not be eligible to withdraw the option once the option is exercised.**"* Item 28 of the Clarifications dated 14.02.2003 also made it clear that while the option for Development Officer (Administration) could be changed during the option period, i.e. until 3rd March, 2003, there was no provision for reverting to the marketing cadre thereafter. ***The option was, thus, not only voluntary, but also irrevocable.***

58. In *New India Assurance Co. Ltd. vs. R.S. Narang*, (2010) 5 SCC 335, the Supreme Court held that the 2003 Amendment Scheme is *"a delegated legislation which is statutory in character."* The controversy therein concerned the SVRP option, under Paragraph 15C(1)(a).

59. No material has been placed on record to suggest that any right of reversion to the marketing stream existed after the option was accepted and the officer stood converted as Development Officer (Administration).

60. The Petitioners were not transferred or redesignated, without their consent. They made a conscious, informed and deliberate choice to switch from the marketing cadre to the administrative cadre. Having made this choice of their own volition, the Petitioners cannot now be heard to say that the consequences of their choice are unjust.

61. Upon switching to the cadre of Development Officer (Administration), the Petitioners were exempted from the stringent cost ratio norms applicable to Development Officers on the marketing side. The GIPSA Administrative Guidelines, at Guideline 4(c), expressly provided: *"The Cost Ratio for performance year commencing from 1st April 2003 shall be applicable to Development Officers who continue to procure business and shall not be applicable for those Development Officer who have opted for rendering service as Development Officer (Administration)."* Item 42 of the Clarifications dated 14.02.2003 further clarified that Development Officers (Administration) would not be required to procure premium from the market.

62. This exemption was of considerable significance. Development Officers on the marketing side were subject to cost control measures; failure to maintain the prescribed cost ratio could result in decrement and, ultimately, termination of service. The Petitioners, by switching to the administrative side, were freed from this risk. They were entitled to normal annual increments under Paragraph 21A (2) of the 2003 Scheme, without being subjected to business performance parameters.

63. *In substance, the Petitioners exchanged a performance-linked cadre carrying the risk of decrement and termination for an administrative cadre carrying the security of regular increments and freedom from the cost ratio regime.*

64. What the Petitioners surrendered, in turn, were the non-core benefits and the performance-linked promotional avenue available on the marketing side. This was the inherent trade-off of the option they exercised.

II. The Performance-Based Route to Grade-I Ceased to Apply After the Switch to the Administrative Cadre:

65. As has been set out in the preceding paragraphs, the cadre of Development Officer Grade-II, was conceived as a temporary stepping-stone. The route by which a Development Officer Grade-II could progress to Grade-I was through business performance, by achieving the prescribed premium procurement targets and maintaining the required cost ratio. An officer who met these norms qualified for upgradation to Grade-I. An officer who did not, remained in Grade-II. This was not a time-bound or seniority-based progression. It was linked entirely to the officer's ability to bring in insurance business for the Company.

66. When the 2003 Amendment Scheme came into force, Development Officers Grade-II, were given a choice. Those who wished to continue selling insurance, could remain on the marketing side as Development Officers Grade-II (Marketing), and the performance-based route to Grade-I would continue to govern them. Those who did not wish to continue selling insurance, could opt for the administrative side and become Development Officers Grade-II (Administration) i.e., Development Officers (Administration) in the Grade-II pay scale. The Petitioners chose the latter.

67. The consequences of this choice were immediate and structural. Upon becoming Development Officers (Administration), the Petitioners *were no longer required to procure premium from the market* (Item 42 of the Clarifications dated 14.02.2003). The *cost ratio norms* ceased to apply to them (Guideline 4(c) of the GIPSA Administrative Guidelines dated 05.02.2003). *Their duties changed from selling insurance to performing in-house administrative functions* like survey and risk inspection, motor third party claims management, customer service, claims investigation and other duties as assigned under Paragraph 21A of the 2003 Scheme.

68. In other words, the Petitioners moved from a cadre where their job was to sell insurance, to a cadre where their job was to do office and administrative work. The yardstick by which Development Officers Grade-II on the marketing side were measured for progression to Grade-I premium procurement, cost ratio and profitability, simply had no application to officers on the administrative side who did not sell insurance at all.

69. The performance-based route to Grade-I, which was the only route available under the existing framework, thus ceased to have any relevance to the Petitioners after they switched to the administrative cadre. The Apex

Court in ***National Insurance Co. Ltd. vs. General Insurance Development Officers Association & Ors.***, (2008) 5 SCC 472, had directed that the promotional policy be finalized within a period of three months. The Petitioners contend that this direction has not been complied with insofar as Development Officers (Administration) Grade-II are concerned.

70. The Respondent, on the other hand, contends that the Promotion Policy dated 14.10.2008, read together with the General Insurance (Public Sector) Development Officers Grade-II Special Package Scheme, 2012, constitutes compliance with the said direction.

71. The question, therefore, is whether the representations contained in the Clarifications dated 14.02.2003 remain unfulfilled, and whether the prayers of the Petitioners have been rendered infructuous by the 2012 Scheme.

III. Whether the Clarifications dated 14.02.2003 constitute representations capable of founding the doctrines of Promissory Estoppel and Legitimate Expectation:

72. The Petitioners have placed heavy reliance on Items 22 and 45 of the Clarifications dated 14.02.2003. Item 22 stated that Development Officers (Administration) *"will be in Class II cadre and a separate promotional policy will be formulated for them."* Item 45 asked whether a separate Promotion Policy would be drafted for Development Officers opting for the administrative side, and the answer was: *"Yes, separate policy."* On the basis of these Clarifications, the Petitioners invoke the *doctrines of Promissory Estoppel and Legitimate Expectation.*

73. The doctrine of ***Promissory Estoppel***, as explained by the Apex Court in *Motilal Padampat Sugar Mills Co. Ltd. vs. State of U.P. & Ors.,* (1979) 2 SCC 409, provides that where the Government or a public authority makes a clear and unequivocal promise intending it to be acted upon, and the promisee, in reliance upon such promise, alters his position, the Government shall be held bound by the promise and cannot be permitted to resile from it. The doctrine is enforceable against the State and its instrumentalities.

74. The ***allied doctrine of Legitimate Expectation*** proceeds on the footing that where a public authority has, by its conduct or representation, created a reasonable expectation in the mind of a person that a particular benefit or course of action will follow, the authority is bound to act fairly and not to frustrate that expectation without good reason.

75. The doctrine of Legitimate Expectation, as explained by the Apex Court in *National Buildings Construction Corporation vs. S. Raghunathan & Ors.,* (1998) 7 SCC 66, has its genesis in the field of administrative law. The Government and its departments, in administering the affairs of the country, are expected to honour their statements of policy or intention and treat citizens with full personal consideration without abuse of discretion. Claims based on legitimate expectation require reliance on representations and resulting detriment to the claimant, in the same manner as claims based on promissory estoppel.

76. However, as the Apex Court observed in *Monnet Ispat and Energy Ltd. vs. Union of India,* (2012) 11 SCC 1, while promissory estoppel requires a specific promise acted upon to the prejudice of the promisee, the

doctrine of legitimate expectation is founded on the broader considerations of reasonableness and fairness of State action.

77. The Petitioners have placed considerable reliance upon the decision of the Apex Court in *Motilal Padampat Sugar Mills Co. Ltd. vs. State of U.P. & Ors.,* (1979) 2 SCC 409, wherein the Supreme Court held that *the doctrine of Promissory Estoppel* is enforceable against the State and its instrumentalities. Where a clear and unequivocal promise has been made and the promisee has acted upon it to his detriment, the promisor cannot be permitted to go back on the promise.

78. Even assuming, that the Clarifications dated 14.02.2003 amounted to representations capable of founding the doctrine of Promissory Estoppel, the question is a simple one: *has the representation been fulfilled or not?* The representation was that a *"separate promotional policy"* would be formulated. The question is not whether the policy so formulated is to the liking of the Petitioners, but whether a Policy has, in fact, been formulated.

79. At the time of filing of the present Petition in the year 2011, no separate promotional policy had been formulated for Development Officers (Administration) Grade-II. However, during the pendency of this Petition, the Board of Directors of Respondent No.2, in the meeting held on 22.10.2012, approved the **General Insurance (Public Sector) Development Officers Grade-II Special Package Scheme, 2012, which was notified w.e.f. 05.11.2012.**

80. Under Clause 6(a) of the 2012 Scheme, Development Officers Grade-II (Administration), the category to which the Petitioners belong, could opt for conversion to the cadre of Assistant, with their basic salary fixed at a stage in the pay scale applicable to the Assistant cadre. Upon such

conversion, Clause 7 of the Scheme provided that they would be treated at par with employees in the Assistant cadre and would be eligible for consideration of promotion to Scale-I Officer and the same promotional destination as that available to Development Officers (Administration) Grade-I, under Clause 11A of the Promotion Policy dated 14.10.2008.

81. *A Scheme providing a defined pathway for career progression has, thus, been framed. It addresses the specific category of Development Officers Grade-II on the administrative side. The representation contained in Items 22 and 45 of the Clarifications that a separate promotional policy would be formulated stands fulfilled, albeit belatedly.*

82. *The doctrine of Promissory Estoppel*, however, does not entitle the promisee to dictate the specific terms in which the promise is to be fulfilled. What the doctrine prevents is the promisor from going back on the substance of the promise. The substance of the promise was that a promotional avenue would be provided; a promotional avenue has been provided.

83. The Apex Court in *Motilal Padampat Sugar Mills* (supra) recognized that the *doctrine of Promissory Estoppel* cannot be used to compel the Government to act contrary to the public interest or to tie the hands of the executive in the discharge of its functions. The framing of a promotion policy including decisions about its terms, conditions and structure, is an executive function. The doctrine cannot be stretched to the point where the Court directs the employer to frame the Policy in a particular way.

84. The Petitioners have also relied upon *Food Corporation of India & Ors. vs. Parashotam Das Bansal & Ors*., (2008) 5 SCC 100, and *Council of Scientific and Industrial Research vs. K.G.S. Bhatt & Anr.*, (1989) 4 SCC

635, for the proposition that promotion is a normal incidence of service and that prolonged stagnation warrants the intervention of the Court. These decisions are distinguishable.

85. In *Parashotam Das Bansal* (Supra) the engineers of the Food Corporation of India had been without any promotional avenue for 30 years and no scheme of any kind had been framed. In *K.G.S. Bhatt* (Supra), the respondent had stagnated for 20 years in one post with no avenue for advancement whatsoever.

86. The 2012 Scheme is not a general framework from which the Petitioners have been excluded; it is a Scheme designed specifically for them. The fact that the pathway it provides runs through the Assistant cadre, does not render it inadequate. ***A different route is not the same as no route***.

87. Thus, the *doctrines of Promissory Estoppel and Legitimate Expectation* do not, in the circumstances of this case, avail the Petitioners. The representation that a separate promotional avenue would be provided has been substantially acted upon through the formulation of the 2012 Scheme. The decisions relied upon by the Petitioners are distinguishable on facts.

IV. Whether the 2008 Policy and the 2012 Scheme, together, render the prayers of the Petitioners infructuous:

88. Pursuant to the direction of the Apex Court in *National Insurance Co. Ltd.* (supra), Respondent No.2 formulated the Promotion Policy for Development Officer Grade-I to the Cadre of Scale-I Officer, dated 14.10.2008. The said Policy provides for the promotion of Development Officers Grade-I, including Development Officers (Administration) Grade-I,

under Clause 11A. The 2012 Scheme, formulated during the pendency of this Petition, addresses the remaining category, i.e. Development Officers Grade-II, including those on the administrative side.

89. It may be noted that the question of there being no career prospects under the 2003 Scheme, had already been canvassed before the Apex Court, which, while upholding the Scheme, directed that the promotional policy be finalized. The 2008 Policy and the 2012 Scheme, taken together, constitute the promotional framework formulated by the Respondent Company for the different categories of Development Officers.

90. The Petitioners' primary prayer is for a direction to Respondent No.2 to formulate a Promotion Policy for Development Officers (Administration) Grade-II. A Scheme providing a pathway for career progression, has been formulated. It may not be in the form the Petitioners desired, but it exists, it addresses their cadre, and it provides a defined avenue.

91. The Petitioners characterize the 2012 Scheme as a *"demotion veiled as a special package"*, on the ground that it entails conversion from the Class-II cadre of Development Officer to the Class-III cadre of Assistant. This submission, though forcefully urged, does not withstand scrutiny.

92. *Firstly*, the cadre of Development Officer Grade-II was not a regular cadre but a transitional stepping-stone, as has been explained in the preceding paragraphs. The Petitioners had not been able to progress from Grade-II to Grade-I during their time, on the marketing side. Having thereafter, opted for the administrative side where the performance criteria for such progression were inapplicable, there was no mechanism under the

existing framework for their upgradation through the same performance-based route.

93. *Secondly*, the 2012 Scheme does not stop at conversion to Assistant. Upon conversion, the Petitioners would enter the regular promotional channel available to all employees in the Assistant cadre and would be eligible for promotion to Senior Assistant and thereafter to Scale-I Officer. The promotional destination i.e. Scale-I Officer is the same as that available to Development Officers (Administration) Grade-I, under the 2008 Policy. *The route is different, but the destination is the same.*

94. *Thirdly*, the formulation of such a scheme, including the decision to provide career progression through the Assistant cadre rather than through some other mechanism, is within the domain of the employer and is a matter of Policy. The 2012 Scheme was introduced to address a specific problem of the stagnation of a very small group of approximately 30 Development Officers Grade-II scattered across the country. How to address that problem, was for the employer to decide.

95. The Petitioners have contended that the exclusion of Development Officers (Administration) Grade-II from the 2008 Policy, is discriminatory and violative of Articles 14 and 16 of the Constitution. Reliance is placed on Item 9 of the Clarifications dated 14.02.2003, which stated that Grades I and II were applicable to Development Officers *(Administration) "only for the purpose of existing salary scales."*

96. This submission overlooks a fundamental distinction. Development Officers Grade-I had achieved the performance benchmarks required for upgradation, before switching to the administrative cadre; the Petitioners had not. The two categories carry different performance histories and pre-

existing Grade placements. The fact that both later opted for the administrative side, does not erase this difference.

97. Item 9 addressed the relevance of Grades for salary purposes. It did not itself prescribe the feeder category for promotion, the eligibility conditions or a right of direct promotion to Scale-I; those matters were left to the separate promotional policy contemplated under Items 22 and 45, which took the form of the 2012 Scheme. *The distinction is reasonable and the allegation of discrimination is not made out.*

98. The 2012 Scheme has not been challenged in the present Petition. The Petitioners have neither assailed its *vires* nor prayed for it to be quashed. In circumstances where a Scheme addressing the very grievance raised by the Petitioners has been formulated, notified and made available to them and has not been challenged, the prayers of the Petitioners stand rendered infructuous.

99. The second prayer, for a direction to consider the Petitioners for promotion on parity with Development Officers (Administration) Grade-I is equally unsustainable for the reasons discussed above. The two categories are not similarly situated, and parity between officers with different performance histories and Grade placements cannot be directed.

V. Whether a writ of Mandamus can be issued:

100. The Petitioners have sought a writ of Mandamus directing the Respondents to formulate a Promotion Policy for Development Officers (Administration) Grade-II. A writ of Mandamus lies to compel the performance of a public duty that has not been performed. It does not lie to

compel the performance of a duty in a manner dictated by the Petitioner when the duty has already been discharged.

101. The Apex Court in *Ravikumar Dhansukhlal Maheta & Anr. vs. High Court of Gujarat & Ors*. has held that no government servant can claim promotion as a matter of right. The method for filling promotional vacancies is for the executive to decide based on the nature of employment and the functions the candidate is expected to discharge. The courts cannot sit in review to decide whether the policy adopted for promotion is the most suitable, unless it is shown to violate the principle of equal opportunity under Article 16 of the Constitution. *No such violation has been demonstrated in the present case.*

102. The Petitioners' reliance on *Parashotam Das Bansal* (supra) for the proposition that the Court can direct the creation of promotional avenues, is misplaced. In that case, no scheme of any kind existed. Here, a scheme exists and has not been challenged.

103. There is, accordingly, no occasion for the issuance of a writ of Mandamus in the present case.

Conclusion:

104. In view of the foregoing discussion, **this Court finds no merit in the Writ Petition. The same is accordingly dismissed**.

105. Pending applications, if any, also stand disposed of.

(NEENA BANSAL KRISHNA)
JUDGE

AUGUST 17, 2026
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