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

+ W.P.(C) 7048/2026, CM APPL. 34557/2026 (for stay)

SUMITI MAHAJAN

.....Petitioner

Through: Mr. Vijay Kumar, Senior Advocate with Mr. Anil Verma, Mr. Mukesh Kumar, Ms. Meenakshi Sood, Ms. Bhanu Kapoor, Ms. Muskan, Advocates.

versus

DELHI ELECTRICITY REGULATORY COMMISSION/DERC & ORS.Respondents

Through: Mr. Sanjeev Kr. Dubey, Senior Advocate with Mr. Anirudh Dusaj, ASC along with Ms. Tanya Verma, Advocate for R-1 to 3.

**CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA**

ORDER
20.05.2026

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CM APPL. 34557/2026 (for stay)

1. The above-captioned writ petition assails Office Order dated 14th May, 2026 issued by Respondent No.1/Delhi Electricity Regulatory Commission,¹ whereby the Petitioner's contract of employment dated 3rd July, 2023 has been terminated.
2. The Petitioner is a qualified Chartered Accountant who has served DERC continuously for the last thirteen years as Deputy Director (Tariff

¹ "DERC"



Accounting & Financial Analysis). She was initially appointed on a contractual basis pursuant to Appointment Letter dated 24th May, 2013 for a period of three years and her engagement has thereafter been extended from time to time without any interruption in service. This Appointment Letter contemplates the execution of a formal Agreement (undated) between the parties, a copy whereof has been handed over across the Board and is taken on record.

3. This Agreement contemplates that the Petitioner's appointment shall be governed by the stipulations provided in Clauses 5, 10, 11 and 12 of the DERC (Management and Development of Human Resources) Regulations, 2001.²

4. The case set up by the Petitioner is that, except certain show-cause notices and inter-office memoranda concerning her attendance and participation in meetings, her service record has remained unblemished. The first such memorandum dated 19th January, 2026 called upon the Petitioner to explain her alleged absence from meetings of the Regulation Committee, to which she submitted a response on 29th January, 2026. Thereafter, communications dated 20th April, 2026 and 27th April, 2026 were issued concerning her leave and attendance record, which were also duly responded to.

5. It is the Petitioner's case that notwithstanding the aforesaid replies and explanations, the impugned Office Order dated 14th May, 2026 came to be issued, terminating her contractual engagement with immediate effect. The same reads as under:

"No.: F.3(789)/Tariff/DERC/2025-26/8738 /133

Dated: 14.05.2026

²"2001 Regulations"



OFFICE ORDER

*Considering the continuous adverse performance, indiscipline and regular absence from office, the Contract of employment dated 03.07.2023 of Smt. Sumiti Mahajan, Dy. Director, TA-FA (posted in Consumer Assistance Division) is terminated with immediate effect.
This issues with the approval of the Hon'ble Commission.*

*(Prashasti De)
Dy. Director (Pers.)”*

6. Mr. Vijay Kumar, Senior Counsel for the Petitioner, submits that under the 2001 Regulations, the Chairperson DERC, is the prescribed Appointing Authority as well as the competent Disciplinary Authority in respect of Group 'A' posts, to which the Petitioner belongs. It is submitted that the office of the Chairperson was lying vacant at the relevant point in time and that the Chairperson forms an integral part of the Commission itself. In these circumstances, the impugned order, which records that it has been issued with the approval of the "Hon'ble Commission", could not have been validly approved by the remaining members of the Commission in the absence of the Chairperson. It is, therefore, contended that the impugned order is without jurisdiction and has not been issued by the competent authority in law.

7. It is further contended that the impugned order is contrary to Regulation 10(d) of the 2001 Regulations, which contemplates that the services of a contractual appointee may be terminated for good and sufficient reasons to be recorded in writing and after issuance of one month's notice or payment of the pay package in lieu thereof. According to the Petitioner, neither any notice was issued nor any payment made in lieu thereof.

8. Mr. Kumar further submits that the language employed in the impugned order, namely, "continuous adverse performance", "indiscipline"



and “regular absence from office”, renders the termination stigmatic in nature, being founded upon allegations partaking the character of misconduct. In such circumstances, the Respondents could not have dispensed with the Petitioner’s services without adhering to the applicable service framework, particularly in light of Regulation 12 of the 2001 Regulations, which makes CCS (CCA) Rules and allied service rules applicable to the employees of DERC. The impugned action is, therefore, stated to be violative of the principles of natural justice as well as Regulation 12 of the 2001 Regulations.

9. Mr. Sanjeev Kr. Dubey, Senior Counsel for DERC, on the other hand, submits that the impugned action constitutes a simpliciter termination of a purely contractual engagement and is not stigmatic in nature. Reliance is placed on Clause 4(vii) of the Agreement, which empowers DERC to terminate the engagement and further stipulates that no prior notice would be required where the conduct and behaviour of the employee becomes prejudicial to public interest or to the dignity of DERC. It is emphasised that the impugned order merely brings a contractual appointment to an end and, therefore, no right accrues in favour of the Petitioner to assail the same on grounds of arbitrariness or unreasonableness.

10. The Court has considered the aforementioned submissions. *Prima facie*, the impugned order does not appear to be one of simpliciter termination founded merely on unsatisfactory performance. The order expressly attributes to the Petitioner “continuous adverse performance”, “indiscipline” and “regular absence from office”. Such allegations, at least *prima facie*, bear the colour of misconduct rather than mere non-renewal or cessation of a contractual engagement.



11. Clause 4(vii) of the Agreement, relied upon by the Respondents, itself contemplates termination after one month's advance notice in terms of Regulation 10(d) of the 2001 Regulations. Dispensation with the requirement of prior notice appears to be contemplated only where the conduct of the appointee becomes prejudicial to public interest or to the dignity of DERC. *Prima facie*, no such finding is discernible from the impugned Office Order.

12. The record does reflect issuance of certain inter-office memoranda concerning the Petitioner's attendance in meetings and on certain occasions in office. However, whether the issuance of such memoranda and consideration of the Petitioner's replies constituted sufficient basis for invoking Clause 4(vii) of the Agreement and dispensing with the Petitioner's services without adherence to the disciplinary framework is an issue which would require closer examination. This aspect assumes significance particularly in light Regulation 12 of the 2001 Regulations, which extends the applicability of the CCS (CCA) Rules and allied service regulations to the Petitioner's appointment.

13. Furthermore, *prima facie* merit is also found in the Petitioner's contention regarding competence of the authority issuing the impugned Office Order. The post of Chairperson admittedly remained vacant at the relevant time. The 2001 Regulations designate the Chairperson as the Appointing Authority as well as the competent Disciplinary Authority in respect of Group 'A' posts. In such circumstances, whether the Members of the Commission, acting collectively as the "Hon'ble Commission", could have exercised such power in the absence of the Chairperson is also an issue which would require consideration.



14. In view of the aforesaid circumstances, the Petitioner has made out a *prima facie* case for grant of interim protection. Accordingly, till the next date of hearing, the operation of the Office Order dated 14th May, 2026 shall remain stayed. Consequently, the Petitioner shall continue to discharge her duties in terms of the subsisting contractual arrangement.

15. It is clarified that the aforesaid direction shall operate only during the subsistence of the Petitioner's existing contractual tenure. In the event the issue of extension or renewal of the Petitioner's contract arises for consideration, DERC shall be at liberty to take an appropriate decision on its own merits and in accordance with law, uninfluenced by any observations made herein.

16. Re-notify on 16th November, 2026.

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17. Issue notice. Counsel for Respondent Nos. 1 to 3, accepts notice.

18. Let counter affidavit be filed within a period of six weeks from today. Rejoinder thereto, if any, be filed within a period of four weeks thereafter.

19. Re-notify on 16th November, 2026.

SANJEEV NARULA, J

MAY 20, 2026/ab