

2026 LiveLaw (SC) 394

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

SANJAY KAROL; J., AUGUSTINE GEORGE MASIH; J.

CIVIL APPEAL NO. 12139 OF 2025; March 16, 2026

PREM CHAND AND OTHERS *versus* STATE OF PUNJAB AND ANOTHER

Service Law – Regularization of Ad Hoc Employees – Doctrine of Parity – Artificial Breaks in Service – The Supreme Court set aside the High Court's dismissal of the Appellants' claim for regularization of services - The Appellants, appointed as peons and clerks on an ad hoc basis in 1995-96, were denied regularization by the State on the grounds of non-continuous service due to breaks ranging from 5 to 187 days - Supreme Court found that the State had regularized 46 other similarly placed employees who had service breaks ranging from 64 to 334 days periods significantly longer than those of the Appellants - held that the State cannot selectively deny the application of policy instructions to identically situated persons without cogent justification. [Para 17-19]

Artificial Breaks – Supreme Court observed that the breaks in service were "artificial in nature" as the Appellants were consistently re-engaged and continued to discharge their duties on the same posts. Such breaks do not reflect genuine abandonment of service. Long service cannot be disregarded by labeling initial employment as ad hoc and relying on artificial breaks - Supreme Court directed the regularization of the Appellants' services with effect from the date similarly situated persons were regularized under the 26.05.2003 policy - Appellants are entitled to continuity of service, increments, and retiral benefits, though actual financial benefits are restricted to the period from the date of the order/reporting for duty. [Relied on Secretary, State of Karnataka and Others v. Umadevi and Others (2006) 4 SCC 1; Para 20-22]

For Appellant(s): Mr. Tushar Bakshi, AOR

*For Respondent(s): Mr. Shadan Farasat, Sr. Adv. Mr. Talha Abdul Rehman, D.A.G. Ms. Nupur Kumar, AOR
Mr. Arkaprava Dass, Adv.*

ORDER

AUGUSTINE GEORGE MASIH, J.

1. The present appeal arises out of the judgment and order dated 02.08.2012 passed by the Division Bench of the Punjab & Haryana High Court in LPA No.699 of 2012, whereby the judgment and order dated 25.04.2011 by the Single Judge in Writ Petition No. 1223 of 2008 and order dated 19.01.2012 in Review Application No.215 of 2011 has been upheld, consequently dismissing the claim of the Appellants herein for regularization of their services.

2. The brief facts are that the Appellants were appointed as peons and clerks in the Department of Finance (Treasuries and Accounts Branch) on ad hoc basis in 1995-96.

3. On 12.08.1996, the Government of Punjab issued a letter stating that all employees working on ad hoc basis against Class III and Class IV posts may be allowed to continue in service for a period not exceeding six months or till such date as the regular candidates selected by the Subordinate Services Selection Board or the Departmental Selection Committee are appointed by the respective appointing authorities, whichever is earlier. It was also stated that all appointments made on ad hoc basis after 13.06.1996 were to be terminated forthwith.

4. Thereafter, a Civil Writ Petition bearing CWP No.3827 of 1997 came to be filed before the High Court by one Balkar Singh, an ad hoc employee, praying for stay of termination of services till the regularly recruited joined the duties. The High Court directed that the services of all ad hoc employees be continued until 31.03.1997 or till the appointment of regularly selected persons, whichever is earlier and a letter dated 09.04.1997 was issued by the Government of Punjab in compliance thereof.
5. The State of Punjab then proceeded to challenge the order of the High Court in CWP No.3827 of 1997 before this Court by way of Civil Appeal No.5059 of 1997. During the pendency of the matter, the State filed an affidavit dated 07.02.2003 wherein it was stated that it intended to formulate a scheme to regularize the services of all the employees who were appointed on or before 13.06.1996 on ad hoc basis.
6. In light of this affidavit, this Court disposed of the Civil Appeal, permitting the State of Punjab to act in accordance with the policy framed by it on humanitarian grounds as the ad hoc employees had worked for more than 7 years. Pursuant to the judgment of this Court, the State of Punjab issued policy instructions dated 26.05.2003 to regularize the services of ad hoc employees who had been appointed on or before 13.06.1996 and were still in service in various departments of the State Government. The same was to be completed within six months.
7. After the pronouncement of the judgment of **Secretary, State of Karnataka and Others v. Umadevi and Others**¹, the State of Punjab again issued instructions dated 15.12.2006 deciding to regularise the services of ad hoc workers who were still in service without break in various departments of the State Government. It is an admitted fact that several ad hoc workers were given the benefit of these instructions. The case of the Appellants, however, was kept pending under consideration.
8. On 17.04.2007, the Appellants were issued show cause notices stating therein that their cases were not covered under the instructions dated 26.05.2003 and 15.12.2006, and therefore, their services could not be regularised. They replied to the notice contending that a large number of similarly placed employees had already been regularized and that many posts were available in the department. It was also pointed out that no reasoning had been given as to how their cases were not covered under the policy instructions dated 26.05.2003 and 15.12.2006. However, the reply was found to be unsatisfactory and a dismissal order dated 23.01.2008 was issued stating that the Appellants were not entitled for regularization of their services.
9. Aggrieved, the Appellants challenged the order of dismissal dated 23.01.2008 by way of Writ Petition No.1223 of 2008 dated 24.01.2008 before the High Court.
10. While the Writ Petition was pending, the State of Punjab issued another circular dated 18.03.2011 for regularization of employees working on ad hoc basis who had completed a period of upto 10 years of service upto December 2006.
11. By order dated 25.04.2011, the Single Judge of the High Court, however, dismissed the Writ Petition on the ground that the Appellants had entered the services through the backdoor as they were engaged without any process of selection. Therefore, they had no right of regularization. The Review Application bearing no.215 of 2011 filed against the order dated 25.04.2011 was also dismissed.

¹ (2006) 4 SCC 1

12. Thereafter, the Appellants preferred a Letters Patent Appeal bearing LPA No. 699 of 2021 before the Division Bench of the High Court, which also came to be dismissed by the impugned order dated 02.08.2012 based on similar reasoning.

13. Aggrieved by the dismissal of their claim, the Appellants are now before us by way of the present appeal.

14. The Learned Counsel for the Appellants submits that the Appellants, who have served for more than 11 years, are entitled for regularization as their cases are squarely covered under the policy dated 26.05.2003 and 15.12.2006. Moreover, the services of thousands of employees who were identically situated as the Appellants were regularized in terms of the policy.

15. Per contra, the Learned Counsel for the Respondents submits that the Appellants do not have a vested right for regularization as they were engaged without any process of selection. It is submitted that the Appellants do not qualify under the policy instructions as their engagements were not continuous, since their tenure contained breaks ranging from 5 to 187 days.

16. Having considered the submissions made by the parties and upon perusing the materials on record, we are of the considered opinion that the Appellants are entitled to the relief of regularization of their services.

17. At the outset, it must be noted that it is not the case of the Respondents that the Appellants do not possess the requisite qualifications for the post in question or that the requisite vacancies are unavailable. It is also an admitted fact that the appointments were made against existing vacancies and not against supernumerary or surplus posts created artificially.

18. The core question that falls for consideration is whether the Appellants are covered under the policy instructions dated 26.05.2003, 15.12.2006 and 18.03.2011 issued by the State of Punjab for regularization of ad hoc employees. It is not disputed that the Appellants were appointed before 13.06.1996. The Respondents have sought to exclude the Appellants solely on the ground that their service tenures contained breaks ranging from 5 to 187 days. Therefore, it has been argued that their engagements were not continuous, making them ineligible under the policy. Furthermore, it has been argued that they are also ineligible under the policy dated 18.03.2011 as the Appellants were no longer in service when it came into force.

19. We are unable to agree with this reasoning as it has come on record that a large number of similarly placed employees have been regularized in various departments of the State Government in view of the policy instructions dated 26.05.2003 and 15.12.2006 in spite of the fact that there were breaks in their service as in the case of the present Appellants. The details of as many as 46 ad hoc employees who were given the benefit of the policies have been brought forward who had breaks ranging from a period of 64 to 334 days i.e. periods longer than that in the case of the Appellants. This fact has not been disputed by the Respondents. Therefore, a case for parity is made out as the Appellants have service record with breaks ranging from merely 5 to 187 days. The State cannot selectively deny the application of the policy to the Appellants, who are identically situated with these persons, with no cogent justification.

20. Moreover, the breaks in service relied upon by the Respondents to deny regularization are, on a closer examination, artificial in nature. The Appellants were consistently re-engaged, save for short breaks, and continued to discharge their duties to the satisfaction of the appointing authorities on the same posts. The breaks do not reflect

any genuine abandonment of service or voluntary cessation of employment. Therefore, we are of the opinion that the long service of the Appellants cannot be disregarded in lieu of artificial breaks and by leveling the initial employment as ad hoc.

21. In view of the above, the appeal is allowed. The impugned order dated 02.08.2012 passed by the Division Bench of the High Court is set aside as also the order of dismissal from service of the Appellants dated 23.01.2008. The Appellants, as a consequence, shall be deemed to be in continuous service without any break.

22. The services of the Appellants would stand regularised with effect from the date services of the similarly situated persons have been regularised under the policy decision dated 26.05.2003. The Respondents are directed to pass the order of regularisation of the services of the Appellants within a period of four (4) weeks from the date of receipt of copy of this order. Their pay and allowances shall be fixed from the initial date of regularisation. The Appellants would be entitled to continuity of service with all consequential benefits including increments and other benefits as a regular employee except for the actual financial benefits till date. The Appellants in case report for duty on or before 30th of April, 2026 would be entitled to the pay and allowances from today onwards failing which the said benefits shall be payable from the date of reporting for duty. In case, the Appellants have attained the age of superannuation, the consequential retiral benefits be calculated from the date of their reporting and released to them within a period of three (3) months from the date of receipt of copy of this order.

23. There shall be no order as to costs.

24. Pending applications, if any, stand disposed of.

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