

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). OF 2025
[@ SPECIAL LEAVE PETITION (CIVIL) NO(S). 23863-23864 OF 2025]

FAQIR CHAND AND ORS.

...APPELLANT (S)

VERSUS

PUNJAB STATE ELECTRICITY BOARD AND ANR.

...RESPONDENT (S)

ORDER

1. Leave granted.
2. These are appeals challenging the final judgment and order dated 29.07.2024 passed in RSA No. 1681 of 1995, as well as the subsequent order dated 17.03.2025 dismissing Review Application {RA-RS-48-2024(O&M)}, by the High Court of Punjab and Haryana at Chandigarh.
3. The brief facts of the case as per the appellants are that Smt. Krishna (predecessor-in-interest of appellants), the original plaintiff, was appointed as a Lower Division Clerk (LDC) in the

Punjab State Electricity Board (PSEB/the present respondent no.1) on 10.12.1976 on an *ad hoc* basis for a period of three months. Her appointment was thereafter extended from time to time without any break, until she was regularised on 08.07.1982, on which date her seniority was also fixed. Claiming that she had rendered uninterrupted service since 10.12.1976, she instituted a civil suit seeking seniority from her initial date of joining, asserting that similarly situated employees had been accorded such benefit. The defendants resisted the suit on the premise that *ad hoc* service was not liable to be counted for seniority.

4. The Trial Court, by judgment dated 03.06.1994, decreed the suit, holding that the plaintiff's initial appointment was against a regular vacancy, not contrary to rules and her continuous service entitled her to seniority from 10.12.1976.
5. The First Appellate Court, by judgment dated 18.02.1995, affirmed the decree, reiterating that uninterrupted *ad hoc* service rendered against a regular vacancy must be counted towards seniority and consequential benefits.
6. The PSEB thereafter preferred a Regular Second Appeal (RSA No. 1681 of 1995). During its pendency, Smt. Krishna passed away on 26.01.2020 and her legal representatives (the present

appellants), were substituted on 23.03.2021. Nevertheless, the High Court, by the impugned judgment dated 29.07.2024, allowed the RSA and reversed the concurrent findings of the courts below.

7. Aggrieved, the appellants filed Review Application {RA-RS-48-2024(O&M)}, pointing out several errors. The High Court, however, dismissed the Review Application by the impugned order dated 17.03.2025. Hence, the present appeals.
8. Learned counsel for the appellants submitted that the Trial Court and the First Appellate Court had rightly decreed the suit in favour of the plaintiff and committed no error in holding that her *ad hoc* service was liable to be counted for seniority.
9. It was argued that the High Court erred in allowing the RSA on the ground that the suit was barred by limitation, solely because the plaintiff had approached the court in 1993 seeking recognition of service rendered prior to regularisation in 1982.
10. It was contended that in identical factual circumstances, the same High Court had dismissed three second appeals filed by the very same respondents - ***PSEB v. Sant Ram (RSA No. 633 of 1997)***, ***PSEB v. Krishan Lal (RSA No. 426 of 1997)***, and ***PSEB v. Surinder Kumar (RSA No. 299 of 1997)***, by a common order dated

06.12.2017, and upheld the entitlement of employees to count ad hoc service for seniority.

11. The appellants submitted that the aforesaid binding precedent, as well as its subsequent implementation by the respondents, was duly brought to the notice of the High Court in the Review Application. Yet the High Court dismissed the review without considering these crucial aspects.
12. The appellants, therefore, prayed that the impugned orders be quashed and that they be granted the same benefits as other similarly situated employees.
13. *Per contra*, learned counsel for the respondents supported the impugned orders, contending that the suit was barred by limitation and that the High Court rightly allowed the second appeal.
14. Reliance was placed on ***Union of India v. Tarsem Singh, (2008) 8 SCC 648***, to argue that service rendered prior to regularisation is not eligible to be counted for benefits.
15. Though an attempt was made to distinguish the decisions in ***Sant Ram and connected matters (supra)***, counsel for the respondents could not dispute that the factual matrix of those cases was substantially identical to the present one.

16. On a consideration of the rival submissions and on perusal of the material available on record, two issues arise for our determination:
- A. Whether the original plaintiff, Smt. Krishna, was entitled to have her ad hoc service from 10.12.1976 to 08.07.1982 counted for seniority and consequential benefits; and
 - B. Whether the High Court was justified in rejecting her claim as barred by limitation, particularly in light of its own judgments in identical cases.
17. The record indicates that in ***Sant Ram and connected matters (supra)***, the very same High Court dismissed the Regular Second Appeals filed by the present respondents in cases involving employees who had similarly rendered uninterrupted ad hoc service prior to their regularisation. In those cases, the employees had initially been appointed as LDCs on an ad hoc basis for a short period, continued without any break and were subsequently regularised in 1978 and 1980, respectively. They too were given seniority only from the date of regularisation and had approached the courts seeking seniority from the date of initial appointment. Their suits were decreed by the Trial Courts and affirmed in the second appeals.

18. In those appeals, the respondents had raised an identical objection namely, that since the employees were regularised in 1978 and 1980 but filed their suits only in 1993, the claims were barred by limitation. The High Court rejected this contention and held that where the cause of action is recurring and the employee continues to suffer adverse consequences, the suit cannot be treated as barred by limitation, though arrears may be restricted to an appropriate period.
19. It is significant that the respondents implemented the judgment rendered in ***Sant Ram and connected matters (supra)***. The plaintiff/present appellants are identically situated and similarly placed. Yet, despite this fact being specifically brought to the notice of the High Court in the Review Application, the High Court, in the present case, allowed the RSA and dismissed the Review Application without considering, distinguishing or even referring to these binding precedents.
20. As regards the reliance placed on ***Tarsem Singh (supra)***, the factual context therein was materially different. That case concerned an extraordinary delay of 16 years and the High Court had directed the payment of arrears for the entire period. This Court held that arrears ought to have been restricted but did not

hold that claims involving a recurring or continuing wrong were barred by limitation. The present case involves a continuing denial of seniority, attracting the principle of a recurring cause of action and is, therefore, clearly distinguishable on facts as well as in law.

21. In view of the aforesaid discussion, we are of the considered opinion that the High Court committed an error in allowing the Regular Second Appeal and subsequently dismissing the Review Application. The impugned orders, therefore, cannot be sustained.
22. Accordingly, the appeals are allowed and the impugned orders passed by the High Court are hereby set aside. The judgment and decree of the Trial Court, as affirmed by the First Appellate Court, stand restored.
23. The respondents are directed to grant the appellants the consequential benefits as extended to similarly situated employees in ***Sant Ram and connected matters (supra) (order dated 06.12.2017)***.

24. Pending application(s), if any, stand(s) disposed of.

.....J.
[SANJAY KAROL]

.....J.
[VIPUL M. PANCHOLI]

NEW DELHI;
NOVEMBER 20, 2025.